

## SASSA to appeal court ruling

The South African Social Security Agency (SASSA) CEO, Thokozani Magwaza, says the agency plans to appeal the judgment handed down by the North Gauteng High Court, which allows deductions from social grant beneficiaries' accounts.



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"SASSA has studied the judgment and intends taking the matter on appeal because of its unimaginable, unintended consequences. We are convinced that a higher court will have a different view on this matter," said Magwaza on Thursday 11 May 2017.

Delivering the judgment on Tuesday, Acting Judge CJ van der Westhuisen declared that SASSA and Social Development Minister Bathabile Dlamini cannot impose rules and restrictions on electronic payments.

The case was triggered by Net 1, which is the parent company of Cash Paymaster Services (CPS), which delivers grants on behalf of SASSA.

Net 1 lodged an application seeking a declarator that the new regulations don't restrict beneficiaries in the way they operate their accounts.

The Department of Social Development introduced new regulations in May 2016 to bring a halt to the deductions, which are working against government's programme of fighting poverty.

Magwaza said civil society, together with the Department of Social Development and SASSA, has been inundated with beneficiary complaints regarding unauthorised deductions coming off their grants, and the new regulations were intended to cushion the vulnerable against the actions of unscrupulous financial service providers.

## **Phasing out of CPS contract**

Meanwhile, SASSA and the Department of Social Development appeared before the Social Development Portfolio Committee on Wednesday to update the committee on work done to ensure the phasing out of the CPS contract by April 2018.

Magwaza told the committee that SASSA has committed to implementing the court order issued by the Constitutional Court in March to the letter.

"Among other things, SASSA has already submitted a list of experts in various fields to the court, as instructed by the court," Magwaza said.

Magwaza said it was unfortunate that some sections of the media incorrectly reported that he and Minister Dlamini view the transition to an insourced payment system differently.

"The misleading reports claim that Minister Dlamini speaks of a five-year or so process, while the SASSA CEO speaks of a 12-month process. Three to five years is no different from five years maximum.

"The truth is that the Constitutional Court extended the current CPS contract for 12 months till the end of March 2018. SASSA informed the court that it intends advertising a new five-year tender around June 2017 for a company that will take over from CPS," said Magwaza.

Magwaza said the winning bidder will be part of a handover process with CPS to ensure that by the time it takes over, all the necessary tests and quality assurances shall have been done in order to ensure that it runs smoothly during implementation to avoid system failure and disruptions.

"At the end of that contract, SASSA will be able to take over those functions," Magwaza said.

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