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SOUTH AFRICAN SOCIAL SECURITY AGENCY

# SASSA/ POSTBANK MSA/SLA REVIEW

28 FEBRUARY 2023



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Social Development  
REPUBLIC OF SOUTH AFRICA



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# Purpose

To provide an update to the forum on the relationship between SASSA and Postbank with regards to the :

- MSA Review
- SLA Review

# Cash Pay Points



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# Cash Pay Points

Region	No of CPP Q1	NO of CPP Q3
ECA	489	340
FST	37	31
GAU	6	6
KZN	326	251
LIM	475	270
MPU	60	54
NCA	22	13
NWS	141	115
WCA	13	13
<b>TOTAL</b>	<b>1569</b>	<b>1093</b>

# Reduction of CPP

## CPP to be reduced

- Nearer to National Payment System (NPS)
- Servicing very few beneficiaries nearer to NPS
- No infrastructure and relocating it to another place with infrastructure

## General Principles for reduction of CPP

- Engagement of stakeholders
- Beneficiaries informed a month before closure or relocation
- CPP route amended by post bank

# MSA review



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# Post contract ceding overview

- ❑ SAPO ceded and assigned the MSA contract AS-IS to Postbank in September 2022 through signing of MSA cession and assignment agreement by parties
- ❑ First Addendum on cession and assignment agreement was signed by the parties.
- ❑ Postbank started disbursing social grants to beneficiaries on 01 October 2022 and payment went well during the period.
- ❑ The cession and assignment agreement required SASSA and Postbank to review the MSA contract upon cession and transfer having been concluded – the process is in progress

# MSA Contract review.

- ❑ Postbank and SASSA appointed teams to review the MSA contract supported by DSD delegates
  
- ❑ Six (6) MSA review sessions we held as follows:
  - on 02 November ,
  - 1-2 December 2022
  - 09 December 2022
  - 23 February 2023
  - 24 February 2023
  - 28<sup>TH</sup> February 2023 – in progress , yet to be held sometime today in the afternoon
  
- ❑ MSA review period extended – April 2023



# Service Fee Structure Negotiations

- ❑ Postbank and SASSA identified members to participate in the service fee structure negotiation which is one of the last phases of reviewing the agreement
- ❑ Principles for engagement on the side of SASSA were the following:
  - ✓ Section 217 of the constitution ( fairness , Competitiveness, cost effectiveness, equitable and transparent) .
  - ✓ Conscious of the Concessionary loan of R541M provided to SAPO back in 2018 for recapitalization of SAPO .
  - ✓ Affordability on the side of SASSA
- ❑ The fee structure review sessions as part of the MSA are currently in progress
- ❑ The parties did not reach an agreement as yet .
- ❑ Postbank team is clear that they are not ready to present and propose any cheaper alternative access channels because their business model is in the process of being reviewed

# Service Fee Structure Negotiations Cont...

- ❑ The reviewed MSA once approved will be implemented in 2023/24 financial year
- ❑ SLA review will commence upon approval of the reviewed MSA

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