Official reply: 08 May 2017

**NATIONAL ASSEMBLY**

**FOR WRITTEN REPLY**

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Internal question paper no: 10

**611. Ms B S Masango (DA) to ask the Minister of Social Development:**

(1) Whether the contract between her department and Net1/Cash Paymaster Services (Pty) Ltd for the distribution of social grants beyond 1 April 2017 has been finalised, if not, why not; if so, (a) was it finalised in line with the Public Finance Management Act, Act 1 of 1999 and (b) what is the (i) total cost of the contract, (ii) duration of the contract and (iii) unit cost for each grant payment;

(2) are there any provisions within this contract for unforeseen or contingent ancillary costs or volumes? NW669E

**Reply:**

1) Yes, and addendum to the 2012 contract has been signed

1. It has been finalized as per the National Treasury instruction of 2016/17
2. (i) is R16.44 per beneficiary projected annual cost of R1 170 080 000.00 calculated at 11 000 000.00 number of beneficiaries

(ii) 12 months

(iii)

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| **Types of Grants** | **Amount (R)** |
| Older Person’s grant | R1 600.00 |
| Older Person’s grant (above 75) | R1 620.00 |
| Disability grant  | R1 600.00 |
| War Veteran’s grant  | R1 620.00 |
| Child support grant  | R380.00 |
| Foster Child grant  | R920.00 |
| Care Dependency grant  | R1 600.00 |
| Grant-i-aid | R380.00 |

(2) None. However, the Constitutional Court set out a process for CPS to approach National Treasury for an increase in the transaction costs, should this be necessary to court will make a final decision.