



child rights in focus
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**Children's Institute
University of Cape Town**

**Submission on the
Amendments to the Regulations to the Social
Assistance Act, 2004**

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UNIVERSITY OF CAPE TOWN
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The Children's Institute welcomes the opportunity to comment on the Amendments to the Regulations to the Social Assistance Act of 2004 (hereafter: Regulations). The Children's Institute was established at the University of Cape Town in 2001. The mission of the Institute is to contribute to the development of laws, policies, programmes and service interventions for children in a way that will promote equity, realise children's rights and improve the conditions of all children in South Africa. The Children's Institute operates through research, advocacy, education and technical support. It has contributed significantly to a number of policy and legislative processes, and has participated in collaborations and networks with both government and civil society.

Overall, the Children's Institute approves of the proposed amendments to Regulation 26A. We are particularly pleased that the proposed amendments to Regulation 26A clearly state that no deductions can be made from grants targeting children, i.e. the child support grant, the foster child grant and the care dependency grant. The Children's Institute strongly agrees with the Department of Social Development that no deductions at all should be made from child grants, not even funeral plans.

Title & subsection (1)

The proposed title and subsection (1) of Regulation 26A highlight that only a single deduction may be made from a social grant and that this deduction may only be made for a funeral insurance or scheme.

Allowing the beneficiary to request a deduction by his or her representative is taking into account that the beneficiary him or herself may be unable to personally submit the request, as is requested by the amendment to subsection (1).

The Children's Institute questions whether it may be necessary to define the terms "funeral insurance or schemes" for clarity and whether, for consistency, the term "service provider" should read "financial service provider" as in subsection (5).

Subsection (4)

The Children's Institute welcomes the proposed subsection (4) of Regulation 26A which emphasises that a deduction may not be made in respect of a social grant targeted at a child beneficiary, i.e. the foster child grant, care dependency grant, and child support grant. These grants are meant to assist caregivers to meet the needs of their children and deductions should therefore not be allowed from these grants. It is important to explicitly mention these grants in Regulation 26A to ensure that financial service providers may not make deductions of any kind from these grants.

Subsection (5)

Subsection (5) of Regulation 26A grants beneficiaries and financial service providers a grace period of three months to make alternative payment arrangements for deductions from the foster child grant, care dependency grant, child support grant and other temporary grants. The Children's Institute would like to highlight that where a deduction for a funeral insurance or scheme is made from a foster child grant, care dependency grant, child support grant this is not in the best interest of children. The Children's Institute therefore disagrees with providing beneficiaries and financial service providers with a three months grace period.

Subsection (6)

The Children's Institute supports the idea of introducing an affordability assessment. However, it is questionable whether the National Credit Act provides an appropriate tool for such assessment because it relates to assessments for credit agreements. It may be preferable to include an affordability assessment as set out in Regulation 23A of the National Credit Regulations into the Regulations on the Social Assistance Act.

Subsection (7)

The Children's Institute agrees that deductions are not permissible from the bank account opened for a social grant beneficiary to facilitate the payment of a social grant. It may be necessary to add to this subsection that the personal data of the grant beneficiaries' ring-fenced beneficiary bank accounts must be protected and may not be shared with third parties such as credit and financial services.

The Children's Institute would like to thank the Department of Social Development for the opportunity to submit comments on the draft Regulation 26A.

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