

NSFAS improving payment system for student allowances

The National Student Financial Aid Scheme (NSFAS) says it has been working on innovations to improve the disbursement of students' allowances to eliminate all third parties from the disbursement chain.



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For the 2021 academic year, NSFAS will be migrating students from all public Technical and Vocational Education and Training (TVET) colleges who receive their allowances through NSFAS Wallet and institutional disbursement services to a direct payment system which will see students receive their allowances directly into their bank accounts.

The migration of 38 of the 50 colleges to the NSFAS wallet system in 2020 has already made huge improvements in the accuracy and regularity of distribution of allowances directly to such students.

“This migration will eliminate third parties in the payment channel as part of NSFAS’ strategy to fully implement the student-centred model of paying allowances directly to the students,” NSFAS said in a statement.

In 2019, NSFAS replaced the anti-competitive voucher system with cash allowances to allow students to manage their own finances.

By integrating innovative ways of allowance disbursement, the scheme employed technological solutions which puts students' needs, safety and efficiency at the centre of operations.

“By disbursing directly to students' bank accounts, NSFAS will eradicate fraudulent activities and scams which students have been subjected to. Recipients of NSFAS disbursements will have the added security offered by administered accounts.

“The direct payment system is convenient and allows a student to be in charge and have access to their allowance 24/7 with no limitation or additional tedious bureaucratic processes,” NSFAS said.

NSFAS urges students who would like to enrol at a public TVET college in 2021 to open accounts in preparation for the roll-out of allowances through bank accounts.

As the banking project is currently out for tender, students on NSFAS Wallet will as an interim measure be moved from the *134*176# USSD channel to *120*176# USSD channel with effect from 1 July 2020. A transaction on the *120*176# USSD channel will cost approximately 20 cents per 20 seconds.

Through this platform, a student will have access to their NSFAS Wallet account, make withdrawals, and view transactions. There will be a smooth transition to ensure that there is no disruption in the system.

The next phase of the direct payment system through bank accounts will be rolled out to students at universities to create uniformity and further efficiencies.

“NSFAS is a firm believer in student independence, growth and most importantly cutting-edge innovation,” it said.

NSFAS is accessible from 8.30am - 5pm, Monday to Friday on info@nsfas.org.za or on NSFAS Connect: www.nsfas.org.za or on NSFAS social media accounts.

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