

Tensions rise between GEMS and unions over sustainability versus affordability debate

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Unions, including the Public Servants Association (PSA) and other bodies affiliated with FEDUSA, have threatened protest action against GEMS over its medical schemes increase.

The Government Employees Medical Scheme (GEMS) has defended its 2026 contribution increases following protests by organised labour, saying it recognises the right of unions representing its members to voice their concerns.

The backlash centres on contribution adjustments announced for 2026. GEMS initially implemented a 9.8% increase in January, which it says was later revised to 9.5%. The adjustment follows a 13.4% increase in 2025.

The increases come amid modest wage growth in the public service. Public servants, including teachers, received a 5.5% salary increase for the 2025/26 financial year and are set to receive 4% in 2026/27.

Unions argue that the gap between salary adjustments and medical aid contribution hikes has made cover increasingly unaffordable for educators and their families. They say the cumulative impact places significant financial strain on teachers who provide essential services.

In response, GEMS said the contribution adjustments are necessary to safeguard the scheme's long-term financial sustainability. The scheme confirmed that its executive management and senior officials are engaging with organised labour and have received a memorandum outlining the unions' concerns.

“As a Scheme, we call for continued engagement and consultation with Organised Labour to find and implement solutions. We remain open and fully committed to constructive dialogue and will share information transparently so that we both work towards practical and sustainable solutions. We firmly believe that meaningful engagement is the most effective way to resolve concerns and strengthen trust,” said Dr Stan Moloabi, Principal Officer of GEMS.

The Government Employees Medical Scheme (GEMS) has revised its member contribution increase to 9.5% for 2026.

GEMS further clarified that there are not two separate increases for 2026. According to the scheme, the approved adjustment is 9.5%, effective 1 February 2026. The 9.8% figure had been approved by the regulator for implementation in January due to statutory timelines. The only change from 1 April 2026, it said, relates to the employer subsidy, which is managed by the employer and does not constitute an additional GEMS contribution increase.

Reaffirming its position, GEMS said it remains committed to transparency, affordability and the scheme's long-term sustainability, and will continue engaging stakeholders in good faith.

Meanwhile, the National Teachers' Union and its affiliates under the Federation of Unions of South Africa (FEDUSA) have expressed "grave concern" over the increases. The unions argue that repeated above-inflation contribution hikes, which outpace salary adjustments, have created a severe affordability crisis.

"The cumulative effect of these contribution hikes has rendered medical scheme cover increasingly unaffordable for many educators and their families.

This situation imposes unacceptable financial pressure on teachers who deliver critical and essential services every day."

Public service unions are mobilising against the Government Employees Medical Scheme's (GEMS) contribution hikes.

"Organised labour in the Public Service Co-ordinating Bargaining Council (PSCBC) under FEDUSA has therefore resolved to embark on a structured programme of action to defend members' interests. The severe

affordability crisis stems from repeated large contribution increases that far outstrip salary adjustments, while there is also an urgent need for meaningful consultation and the establishment of fair, sustainable medical scheme arrangements," unions revealed.

The unions are calling for meaningful consultation and the development of fair and sustainable medical scheme arrangements for public servants.