

MEDIA RELEASE: PSA demands urgent intervention on non-payment of medical-aid and pension fund deductions by Free State Department of Education

DATE: 27 March 2025

EMBARGO: None

ENQUIRIES: communication@psa.co.za

The Public Servants Association (PSA) is outraged by the Free State Department of Education's blatant failure to pay over statutory deductions, including Government Employees Medical Scheme (GEMS) contributions, pension fund contributions, and Pay-As-You-Earn (PAYE) tax.

This non-compliance is a severe breach of trust and a violation of legal and financial obligations that threaten the financial security and well-being of the Department's employees. On 13 March 2025, the PSA addressed urgent correspondence to the Premier, MEC, and HOD of the Free State Department of Education, demanding immediate corrective action. To date, no response has been received from the Department. Instead, a media statement was issued on 17 March 2025, in which the Department assured employees that their benefits would continue uninterrupted. It cited confirmation from the Provincial Treasury that third-party payments would be made within the first 14 days of April 2025. However, the Department's statement failed to address key concerns including, why were these funds deducted from employees' salaries but not paid to the relevant third parties. It was also not indicated why the Department did not communicate directly with affected employees or their unions and what action will be taken against those responsible for this gross non-compliance.

This level of financial mismanagement is unacceptable. The PSA demands immediate intervention to ensure that all outstanding contributions are paid without delay. Those responsible for this breach must be held accountable for violating the GEMS Medical Management Policy and the *Medical Aid Schemes Act 131 of 1998*, which require medical-aid contributions to be paid to the Scheme within three days of becoming due. The PSA reserves the right to approach the courts to compel payment and hold the responsible officials accountable should this matter remain unresolved.

The PSA has given the Free State Premier until Monday, 31 March 2025, to provide written confirmation that all outstanding monies have been paid to the relevant third parties. The PSA is committed to protecting the rights of public servants and will not allow this gross financial mismanagement to go unchallenged.

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