

MEDIA RELEASE	PSA forces GEMS to revise contribution increase and welcomes reduction
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The Public Servants Association (PSA) welcomes the decision by the Government Employees Medical Scheme (GEMS) to revise the weighted member-contribution increase from 9.5% to 7.5%, effective from 1 July 2026, subject to approval by the Council for Medical Schemes.

This outcome follows sustained pressure and intervention by organised labour, including engagements with the GEMS Board of Trustees, submission of memoranda, protest action, and escalation through statutory processes. The PSA maintains that the initial increase was unaffordable and would have placed further strain on public servants already battling rising living costs and stagnant disposable income. The downward revision is therefore a direct result of collective action taken in defence of workers' socio-economic interests and access to affordable healthcare.

Although the PSA notes the reduction as a positive development, the Union remains concerned that employees have already suffered greatly from January to date. The PSA further emphasises that several substantive issues raised with GEMS remain unresolved. These include concerns relating to governance failures, excessive administrative and outsourcing costs, fraud and claims leakages, benefit design decisions, and inadequate consultation with members before major financial decisions are implemented.

The PSA will prioritise engagements with GEMS through the Public Service Coordinating Bargaining Council (PSCBC) to ensure greater accountability, as well as alignment between negotiations on cost-of-living adjustments, improvement of conditions of service, and increases in GEMS membership contributions. The PSA maintains that these matters cannot be addressed in isolation as these directly affect the disposable income and socio-economic wellbeing of public servants.

The PSA will further ensure that the GEMS Executive Management and Board of Trustees are held accountable and that there is compliance with PSCBC Resolution 4/2017, which provides that four members of the Board must be representatives from organised labour. Proper labour representation in the governance structures of GEMS is critical to ensuring transparency, accountability, and the protection of members' interests. The PSA will strongly oppose any reduction of benefits and the increasing requirement for co-payments whenever members seek healthcare services.



The PSA is of the firm view that GEMS must remain aligned to its founding objectives as contained in PSCBC Resolution 1/2006, which sought to provide accessible, affordable, and quality healthcare to public servants and their dependants. The PSA will also engage the employer to ensure proper alignment between annual employer subsidy adjustments and increases in GEMS contributions. The employer subsidy is intended to cushion employees against escalating healthcare costs. However, this objective has not been realised as Medical Price Inflation (MPI) projections utilised by the employer to determine subsidy increases consistently appear substantially lower than the MPI projections utilised by GEMS in determining contribution increases. This disparity continues to erode the value of the subsidy and shifts a disproportionate financial burden onto employees.

The PSA views the Section 77 NEDLAC process by the Federation of Unions of South Africa (Fedusa) as an important mechanism to protect workers' interests and fully supports this. The PSA remains steadfast in the Union's position that access to affordable quality healthcare is a fundamental right for workers. The PSA will continue to defend the interests of public servants and advocate for fairness, accountability, and sustainability in GEMS.

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