



FOR PSA MEMBERS: GENERAL 5/2026

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PSA repeats call on GEMS to reconsider 9.5% contribution increase

Members will recall that the Government Employees Medical Scheme (GEMS) Board requested an extension to respond to the memorandum handed over by the PSA and other Fedusa-affiliated unions on Saturday, 21 February 2026 during a protest march. An extension was granted until 6 March 2026 and GEMS subsequently responded on 6 March 2026. However, the PSA is not satisfied with the GEMS response and firmly rejects the 9.5% contribution increase announced by GEMS for 2026, as it is excessive and unaffordable given the rising cost of living and stagnant salary increases in the public sector.

Although GEMS acknowledges the financial pressures faced by public servants, its argument is that the increment was based on actuarial projections, medical-inflation trends, utilisation patterns, and regulatory obligations, which does not, in the PSA's view, sufficiently address the hardship such an increase will impose. Many workers are struggling to meet essential financial commitments, and higher medical-aid deductions risk placing healthcare coverage out of reach for numerous public-sector employees.

GEMS reported paying R67 billion in claims against R65 billion in contributions in 2025, citing sustainability pressures. Whilst the PSA acknowledges the importance of financial stability, the Union stresses that greater transparency is needed for members to understand how increases are calculated and whether cost-saving alternatives were adequately explored. The PSA is also concerned about non-healthcare expenditure, even though GEMS states that this accounts for only 5% of contributions, reportedly amongst the lowest in the industry. Members deserve full disclosure regarding administrative costs, managed-care spending, executive remuneration, and provider negotiations.

The PSA is of the view that GEMS has not adequately considered inputs from labour. Instead, it opted to put the financial burden on members. The PSA maintains that several cost-containment measures such as reducing unnecessary outsourcing of actuarial work, curbing excessive legal fees, ensuring transparency of executive pay, limiting the unusually high number of Board meetings, and investigating circumstances regarding the Principal Officer's extended contract could have been considered.

Although the PSA supports further engagement with GEMS, such discussions must lead to meaningful financial relief and not mere rhetoric. GEMS must reconsider the increase, prioritise affordability, and protect public servants' access to essential healthcare.

The PSA will have further engagement with other public-service unions to consider the way forward. Members will be advised accordingly. The response by GEMS is also being considered by the legal team to determine remedial actions as the war against the expensive GEMS continues.

Employees who want to join the PSA can visit the PSA's website or contact PSA Provincial Offices.

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