



FOR PSA MEMBERS: **PUBLIC SERVICE COORDINATING BARGAINING COUNCIL (PSCBC)**

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01-07-2026

## Urgent update to members: GEMS

### **Council for Medical Schemes (CMS) refuses to approve reduction in contribution increase: PSA to decide on appropriate action**

Members will recall that the PSA vigorously opposed the proposed 9.5%-contribution increase by the Government Employees Medical Scheme (GEMS) as totally unacceptable. Months of protesting and talks led to GEMS finally agreeing to a reduction from 9.5% to 7.5%. This reduction was subject to approval by the Council for Medical Schemes (CMS).

The PSA inform members that the CMS has declined the GEMS application to reduce the 2026-contribution increase from 9.5% to 7.5%, with effect from 1 July 2026. In its determination, dated 30 June 2026, the CMS found that GEMS had not sufficiently demonstrated that the reduced increase would ensure the financial sustainability of the Scheme and compliance with the *Medical Schemes Act*. The CMS concluded that the proposed reduction would result in contribution inadequacy, ongoing operating deficits, delayed solvency recovery, and reliance on uncertain future cost-saving measures. Accordingly, the CMS did not approve the amendment, and the original 9.5% contribution increase remains applicable pending further developments.

The immediate implication for GEMS members is that the approved contribution increase of 9.5% remains in force. However, members should note that there is a pending appeal-application lodged by the PSCBC on behalf of its parties with the CMS, challenging the 9.5%-contribution increase. The outcome of this appeal is still awaited. The PSA, together with other trade unions represented in the PSCBC, will urgently engage on the implications of the CMS decision and seek agreement on a collective way forward. In addition, the PSA and the Union's labour partners will consider all legal avenues available to challenge the CMS decision and to protect members from excessive medical-aid contribution increases.

The PSA is committed to defending the interests of members and will provide further updates as developments unfold. Employees who want to join the PSA can visit the PSA's website, send an email to [ask@psa.co.za](mailto:ask@psa.co.za), or contact PSA Provincial Offices.

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