



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

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PSA pressure forces GEMS to reduce contribution increase

Following sustained intervention by organised labour, the Government Employees Medical Scheme (GEMS) has reversed its initial decision to implement a 9.5% weighted contribution increase. GEMS has now confirmed a revised increase of 7.5%, set to take effect from 1 July 2026, pending approval by the Council for Medical Schemes.

This outcome was not voluntary but arose from determined collective action aimed at protecting public servants from unaffordable medical-aid costs. Organised labour consistently rejected the original increase, arguing that it would further erode workers' disposable income at a time when salaries are under pressure and household expenses continue to escalate. Engagements with the GEMS Board of Trustees, the submission of memoranda, protest action, and escalation through statutory processes formed part of the strategy to force a reconsideration of the proposal. In acknowledging these engagements, GEMS has conceded that affordability concerns raised by employees require a downward adjustment.

Whilst the PSA notes the reduction as a meaningful improvement on the initial proposal, members must be aware that this outcome does not resolve all outstanding issues. The revised increase still places an additional financial burden on workers, and several critical matters raised by organised labour remain unaddressed. These include ongoing concerns about governance failures, administrative overheads, outsourcing costs, fraud and claims leakages, benefit design decisions, and the lack of timely and genuine consultation before major financial decisions are imposed on members.

GEMS has requested clarity on whether labour intends to continue with the Section 77 process at NEDLAC (protest action), which was initiated to protect workers' socio-economic interests. This process remains an important instrument should engagement fail to translate into real and lasting reform. Any decision on the way forward will be informed by whether GEMS demonstrates a clear commitment to transparency, accountability, and structured engagement going forward.

The PSA will closely track the implementation of the revised contribution increase, including issues relating to members who may already have paid higher contributions, the regulatory approval process, and further engagements between GEMS and organised labour. Members will be kept informed developments.

The PSA remains firm in the Union's position that access to affordable healthcare is a fundamental worker right. The PSA will continue to act in defense of members and to pursue greater accountability and fairness in GEMS.

Employees who want to join the PSA can visit the PSA's website, send an email to ask@psa.co.za, or contact PSA Provincial Offices.

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