



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

09-01-2026

PSA considers all options on GEMS increase for 2026

Members are aware of numerous meetings held to discuss GEMS' increase, with the last meeting held on 18 December 2025.

GEMS had tabled the revised increase from 9.8% to 9.50%, subject to approval by the Council for Medical Schemes (CMS), which was rejected and sent back for reconsideration. Sadly, during the meeting of 18 December 2025, GEMS reported that, upon considering all factors, anything less than 9.5% would be contrary to the *Medical Schemes Act, No. 131 of 1998*, which requires medical schemes to maintain a minimum solvency rate of 25%. The GEMS Board reported that their offer of 9.5% is the best offer considering the circumstances and their financial position.

GEMS also made presentations that showed the increment is not as steep as the PSCBC parties made it appear, but their figures were based on a 9.33% subsidy assumption, which is far from what the employer offered. The assumption was illogical, as it remains public knowledge that subsidy is based on the Medical Price Index (MPI), which is far lower than the assumption used by GEMS, hence the commitment to conduct recalculations within a week. After the meeting, GEMS responded that the assumption did not have an impact on the weighted contribution increase of 9.8%; rather, it was just for demonstration purposes, thus would not alter the proposal of 9.8%. GEMS is therefore not willing to reconsider the increase below 9.5%.

Negotiators had resolved in the meeting of 18 December 2025, that unions will report back to their principals for further direction and that there is an urgent need for the PSCBC to invite CMS to address the issue of the solvency rate. The PSA is currently considering its options, which might include legal remedies if possible. The PSA must emphasise that the increase implemented by GEMS is not something agreed upon with the unions; GEMS merely consults and then implements unilaterally.

Subsequently, the DPSA issued a *circular* advising the departments that there would be a delay in the implementation of the adjustment of medical subsidy for employees on GEMS, meaning that the subsidy will not be effected in January 2026 but will be implemented from 1 February 2026, backdated from January 2026. The effect of such a delay is that although 9.8% will be implemented from January 2026, the adjusted subsidy will only be implemented in February, meaning that the subsidy for January will be the unadjusted subsidy from the previous year.

Members will be informed of developments.

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

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GENERAL MANAGER