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

19-08-2026

Urgent update to members: GEMS

Members will recall that the PSA reported that the Council for Medical Schemes (CMS) had declined the application by the Government Employees Medical Scheme (GEMS) to reduce the 2026-contribution increase from 9.5% to 7.5%. The CMS found that GEMS had not sufficiently demonstrated that the proposed reduction would ensure the financial sustainability of the Scheme. Consequently, the 9.5%-contribution increase remained applicable. The PSA further advised members that organised labour would engage on the implications of the CMS decision and consider appropriate avenues to protect members against excessive medical-scheme contribution increases.

Following these developments, organised labour, through their respective federations, met with the GEMS Board of Trustees on 31 July 2026. The engagement focused on obtaining clarity on the CMS decision, improving transparency in the contribution-setting process, addressing member affordability, and preventing a recurrence of the challenges experienced during the 2026-contribution process. Organised labour requested GEMS to provide, amongst others, the CMS decision and reasons, the actuarial motivation for the proposed 7.5% increase, financial and solvency information, the GEMS Medical Price Index (MPI) methodology, and information regarding operational savings.

GEMS subsequently requested to be afforded sufficient time to consider labour's request and committed to respond in writing by 21 August 2026. These include the CMS explanatory report, financial transparency information, disclosure of the GEMS MPI methodology, subsidy and contribution comparisons, governance-related responses, and the development of terms of reference for a forensic audit.

Fedusa accepted the revised timelines on the understanding that these represent firm commitments and that comprehensive information will be provided to enable meaningful engagement. Progress against these commitments will be closely monitored. A key priority for the PSA is to ensure that future GEMS-contribution increases are better aligned with the employer medical-scheme subsidy so that members are protected from continuously increasing out-of-pocket contributions. Organised labour demanded to also participate in the processes aimed at developing the 2027-contribution scenarios and improving the transparency of future contribution-setting processes.

The PSA will continue to closely monitor developments and keep members informed of progress.

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.

Reuben Maleka
GENERAL MANAGER