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

19-11-2026

Feedback: Engagements with GEMS

The PSA wishes to inform members of recent developments concerning the Government Employees Medical Scheme (GEMS), following a series of engagements involving organised labour, the employer, and the GEMS Board of Trustees through the PSCBC.

Proposed GEMS contribution increases and benefit amendments for 2027

At the GEMS Product Development Task Team meeting on 20 October 2026, GEMS proposed a uniform contribution increase of 7.5% across all benefit options, effective from 1 January 2027. The proposal included reductions in acute-medicine limits, restrictions on dental benefits, and changes to dependent eligibility requirements. The PSA, together with organised labour, opposed the proposed benefit reductions and raised serious affordability concerns, particularly as GEMS assumed an unconfirmed employer medical-subsidy increase of 4.2%. The PSA demanded that all proposals be properly motivated and subjected to meaningful consultation before implementation.

Proposed introduction: *TOPAZ* benefit option

Members will recall that GEMS previously presented a proposal to introduce a new benefit option known as *TOPAZ*. Organised labour and the employer objected to the proposal because of inadequate consultation and requested that introduction be suspended pending proper engagement through the PSCBC. Despite these objections, GEMS proceeded to submit the proposed option to the Council for Medical Schemes (CMS). It was further reported that GEMS had approached National Treasury regarding the proposed option and associated medical-subsidy arrangements. During subsequent engagements, GEMS indicated that withdrawing its submission to the CMS could result in an additional contribution increase of approximately 2%. Organised labour maintained that GEMS must respect established PSCBC processes and should not pursue contested proposals without proper consultation.

Special PSCBC meeting and engagement with GEMS Board

At a special PSCBC meeting, organised labour and the employer rejected the GEMS presentation as the proposals had not been formally tabled before Council for consideration. Subsequently, the Joint Labour Principals, including the PSA, engaged the GEMS Board of Trustees to address concerns regarding its conduct and disregard for consultation processes. The PSA expressed dissatisfaction with the Board's approach and emphasised that meaningful consultation requires genuine consideration of labour's

submissions before decisions are finalised. The Joint Labour Principals are expected to deliberate further on appropriate measures to address these concerns.

Parliamentary scrutiny of GEMS governance and affordability

Concerns regarding GEMS have also received attention at the Parliamentary Portfolio Committee on Health. The Committee raised concerns regarding affordability, governance, value for money, member satisfaction surveys, and the continued pursuit of *TOPAZ* by GEMS. Concerns were further raised regarding outstanding amendments to GEMS Rules relating to organised labour's representation on the Board. GEMS and the CMS were requested to provide written responses within two weeks.

PSA position and way forward

The PSA remains concerned about continued disregard by GEMS for established consultation processes and the financial implications of its proposals for members. The PSA will continue to oppose unjustified contribution increases and benefit reductions, demand transparency and accountability in GEMS governance and financial management, and pursue meaningful representation of organised labour in GEMS. The PSA is committed to protecting members against unaffordable medical-aid contributions, reduced healthcare benefits, and unilateral decision-making. Members will be informed of developments.

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

Reuben Maleka
GENERAL SECRETARY