



GEMS 2026 MEMBER CONTRIBUTION INCREASE CONSULTATION MEETING PSCBC SPECIAL COUNCIL MEETING

REPORT 35 OF 2025

A special meeting of the Public Service Coordinating Bargaining Council (PSCBC) was held on 18 December 2025, where GEMS provided their written responses based on the issues that were raised in the previous special council meeting of 12 December 2025. **See attached Annexure 1.**

At the meeting, the Principal Officer of GEMS, Dr. Stan Moloabi, tabled a presentation. **See attached Annexure 2.**

GEMS again reiterated that due to administrative challenges, it would be impossible to revise the 9.8%-member contribution increase set to commence on 01 January 2026. GEMS have recommended a 9.5% increase post 01 January 2026, given that the administrative challenges of having already implemented a 9.8%-member increase for 2026.

Organised labour vehemently rejected the presentation, as it was giving a misleading narrative regarding the mandate of GEMS. Organised Labour further rejected the 9.8% and proposed 9.5%-member increase for the year 2026.

The employer has also indicated that it was not happy with the proposed increase of 9.8% and subsequently the revised increase of 9.5%.

The employer further expressed the same concerns of Organised Labour

that the intended member increase will have a great impact on members of GEMS who are employees of government.

The employer submitted that the legislative framework makes it difficult to circumvent the legal parameters in addressing the current challenges it has with GEMS on several issues.

The assumption of the subsidy increase of 9.33% is confusing, given that there is a clear MPI% (Medical Price Index) that is provided for the year 2026, and the government subsidy increase is based on the provided MPI and not on any other assumptions.

GEMS would therefore be misleading parties, in terms of the factors that it considered to arrive at the 9.8% proposed increase.

The issue of the weighted average is also another issue, considering the revised increase of 9.5%

There are other decisions that could have been made outside of the Council for Medical Aid Schemes (CMS), but those issues will be discussed in a workshop planned for February 2026.

The employer further indicated that the Risk Based Capital Framework project that was in the pipeline was a step in the right direction, and that process should not be taken lightly

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and should be dealt with urgently. As stakeholders, Organised Labour has a need to know how the PSCBC will form part of that process.

The employer also proposed that the CMS would have to be engaged in paving a way forward on how to address urgent matters, especially from an administrative point, over peak periods, e.g., holiday periods, the same way that government is able to deal with urgent administrative issues over holiday periods or even during wage negotiations.

The employer further proposed to GEMS that the revised 9.5% increase should kick in February 2026, whilst other parallel engagements were still unfolding.

Organised labour is of the view that we may have to invite CMS at some point as stakeholders to address some of the challenges we have encountered with regards to GEMS and its processes.

The employer further reported that it would still want to engage on the proposals of the packages of the executives of GEMS to be aligned with those of senior management in government, and it would still have those engagements with its principals in taking the matter forward.

The employer further implored all parties, that the engagements that must ensue with GEMS in 2026,

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should take effect, and the engagements scheduled in February 2026, via a workshop, should kickstart open and honest conversations in steering GEMS back to its founding principles.

GEMS is not used to the level of resistance from the unions that they have encountered with this increase for 2026. As a result, GEMS indicated that there were fundamental issues that the employer has raised, regarding issues of mandating, and policy issues, which require cabinet to input on.

GEMS further reported that the consultation process should still be opened with the employer, in addressing the concerns that parties to the PSCBC have raised.

The parties at PSCBC further raised concerns regarding the misleading information that GEMS had provided regarding the 9.33% MPI assumption. If this variable is incorrect, it could mean that the percentage increases of 9.5% and 9.8% put forward by GEMS could also be incorrect. It was submitted to GEMS that the MPI that should have been used should be 4.5 percent. That is the percentage that the employer has used to determine the subsidy increase for 2026.

Organised Labour has demanded that the Office of the General Secretary (OGS) of the PSCBC, should invite CMS in the new year, to address the concerns and processes surrounding the 25% vs 20% reserve ratio. This refers to the amount of reserves a medical scheme must hold to ensure sustainability. If it is possible to hold reserves at 20 percent, this could possibly mean a lower increase is required to preserve the reserves.

GEMS further reported that they would have to get a second actuarial opinion in recalculating the increase scenarios based on the information that the employer has provided regarding the MPI % for 2026.

GEMS further indicated that they should provide the reworked increase scenarios in writing to parties to the PSCBC via the OGS within a week from now and provide a way forward.

Members will be kept advised. Although this pulse report contains much technical information, members should be able to appreciate the level of resistance and engagement by organised labour in attempting to avoid this big increase.

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