

HEALTHCARE

Public service unions oppose 13.4% medical aid increase

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TWO of the biggest public service unions have called on the Government Employees Medical Scheme (GEMS) not to implement the planned 13.4% increase of 2025 membership contributions from this month.

The Public Servants Association (PSA) and the National Education, Health and Allied Workers' Union (Nehawu), which represent around 500 000 of the country's more than one million state employees, have both vowed to challenge the increase, which they fear will result in any wage deal sealed at the Public Service Coordinating Bargaining Council (PSCBC) being undermined.

Representatives of state employees are set to resume salary negotiations with the government at the PSCBC today.

According to Cosatu affiliate, Nehawu, public servants should be spared from the looming increase and GEMS must find other ways of managing its financials and not through punishing government employees.

Nehawu called on GEMS, the National Treasury, and the Department of Public Service and Administration



MEMBERS of the National Education, Health and Allied Workers Union protesting outside the Prince Mshiyeni Hospital in uMlazi, south of Durban, in 2023. Public service unions are mobilising in protest against a proposed 13.4% increase in medical aid contributions by the Government Employees Medical Scheme, fearing it will undermine wage negotiations. | Independent Newspapers Archive

to halt the implementation of the decision to increase contributions, and prioritise a process to map out the scheme's future to ensure that it remains capable of serving state

employees' needs and does not become an instrument of accumulation by capital and its administrators.

The union also indicated that its members were seriously dissatisfied

with the medical scheme.

"GEMS has over the years become a financial burden on public servants with the yearly increments. It has totally moved away from what it was essentially created for, which was to ensure that it provides affordable medical cover for public servants," Nehawu complained.

The PSA echoed similar sentiments, saying its members were distraught and complaining about the 13.4% increase, which they believe is exorbitant and unaffordable to many of them.

"The average increase of 13.4% has negatively affected members to the extent that it has resulted in a net salary decrease for many employees. It must be understood that the PSA in no way agreed to these increases and in several meetings with GEMS vigorously opposed these increases," the union explained.

The PSA stated that the way forward involves engaging other unions to address the medical aid increment crisis, as the situation can no longer be left solely in GEMS's hands.

"Other alternatives to ensure the affordability of medical assistance for public servants will be considered. The PSA will continue to engage GEMS

and warn GEMS as to PSA members' frustrations and anger at the exorbitant increases," the union assured its frustrated members this week.

About one in five of all medical scheme members belong to GEMS.

By the end of December 2023, GEMS had 22% of the entire medical aid scheme market with almost 845 000 principal members and 2.27 million beneficiaries.

It has defended the 13.4% increase, claiming that in recent years it has kept contributions much lower than the rising cost of healthcare.

"To keep offering good value to members, it now needs to adjust them to keep up with healthcare inflation," the scheme explained its decision to increase contributions.

GEMS added that it deliberately used its extra reserves to keep contribution increases low, resulting in a R10 billion saving for members.

Unions rejected the government's 4.7% salary increase offer in December and revised their demands to between 5.5% and 6%, which will still need to be taken to their members for a mandate.

Government negotiators are expected to respond at the PSCBC today.