

**MEDIA RELEASE**

**PSA demands no fee increase in GEMS contributions for 2022**

DATE

30 September 2021

EMBARGO

None

Enquiries

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The Public Servants Association (PSA), representing more than 230 000 public servants, calls on the Government Employees Medical Scheme (GEMS) not to implement any increase in medical-aid contributions for members in the 2022-financial year.

During its Annual General Meeting on 31 August 2021, GEMS declared a total comprehensive surplus of R5 570 679 and a reserve ratio of 41.11% whilst its target for the 2020-financial year was only 29.5%. The PSA thus makes an early call on GEMS to ensure that in the preparations for increases and adjustments for the 2022-financial year, it carefully considers expenditure and priorities to prevent further escalating overall costs against a decline in income of workers. Public servants in the 2021-financial year only received a salary increase of 1.5%, which is barely enough to offset increases in other commodities such as food, fuel, housing, and household items. Public servants are furthermore still waiting for the outcome of the Constitutional Court case around the failure of government to effect salary increases that were due in 2020.

In the interim, the cost of living has drastically increased and continues to increase as business is offsetting losses against consumers. Workers' income is not adjusted to ensure that the standard of living is maintained. The PSA advises companies and service providers to exercise caution under the current economic environment and not persistently demand increases in costs from consumers who are increasingly indebted. The PSA further advises all medical-aid schemes to also consider a zero-percent increase in member contributions.

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