

**MEDIA RELEASE**

**The PSA strongly objects increasing tax to fund the National Health Insurance (NHI) scheme**

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**EMBARGO**

None

**ENQUIRIES**

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The Public Servants Association (PSA) strongly condemns the government's proposal to impose an additional tax to the tune of R37 000 on every South African employee to fund the NHI. The move will place undue financial burden on employees, many of whom are already struggling with the rising cost of living.

It must be said that additional tax will be a slap on the face of South African workers who are already facing economic hardships. The PSA is adamant that universal, affordable and quality health care is absolutely essential for all citizens of our country but this must not place an additional financial burden on taxpayers.

The PSA has on several occasions warned government to delay the implementation of the *NHI Act* until such time critical issues like funding, staffing and infrastructure must be addressed.

The PSA as a progressive union fully supports universal access to healthcare to address the inequality of the healthcare system to cover the vulnerable however ignoring the magnanimous challenges will not result in the successful implementation of the NHI. The proposed funding is not only inadequate for the successful implementation of universal healthcare access but is not sustainable hence the PSA is overly concerned. The country is not ready to implement the NHI, especially in its current form. Recently, the health institutions were inspected and it became clear that more than half do not meet the NHI-required standards. The chronic staff shortage is another problem that the government is dismally failing to address.

The PSA calls upon government to explore alternative solutions to fund the NHI without placing the burden on struggling employees. The country needs to find a balanced approach that ensures the sustainability of the NHI while protecting the financial well-being of South African employees. The PSA remains committed to advocating for the rights and interests of the working class and will continue to oppose any measures that unfairly impact employees. The union calls on all stakeholders to engage in meaningful dialogue to find a sustainable and fair solution for funding the NHI.

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