

Adjustment of Medical Subsidy for Employees on the Government Employees Medical Scheme (GEMS)

The PSA has taken note of the adjustment of the employer subsidy for employees on the Government Employees Medical Scheme (GEMS). On 7 December 2024, the Minister for the Public Service and Administration issued a circular, accompanied by a determination and directive, confirming these adjustments. The new subsidies will be effective from **1 January 2025**, as detailed below:

Medical assistance for in-service employees on GEMS

The table below reflects the new maximum monthly employer subsidies for GEMS members:

Category	2024 Subsidy	2025 Subsidy
Principal member without a dependant	R1 810.00	R1 918.00
Member with one dependant	R3 620.00	R3 836.00
Member with two dependants	R4 726.00	R5 008.00
Member with three dependants	R5 832.00	R6 180.00
Member with four or more dependants	R6 938.00	R7 352.00

Medical assistance for former employees on registered medical schemes

The employer subsidy for former employees on medical schemes, including those on GEMS, will also be adjusted from **1 January 2025**.

- **Principal member without a dependant:** R1 918.00 or limited to *Tanzanite One* contribution for a single member.
- **Member plus dependant(s):** Maximum subsidy of R3 836.00 or limited to *Tanzanite One* contribution for member plus dependant(s).

Medical assistance for eligible former employees

The following conditions apply to eligible former employees based on years of service, age at retirement, or health-related dismissals:

1. Retirement or death in service:

- Employees aged 50+ with 15+ years of service: 75% of the total medical scheme contribution, up to R3 836.00 monthly.
 - Employees aged under 50 with 15+ years of service: Benefits commence at age 50.
 - Employees with 10–15 years of service: A lump sum of 36 times R1 380.00.
 - Employees with less than 10 years of service: A lump sum of 12 times R1 380.00.
2. Dismissal due to ill health:
- 10+ years of service: 75% of the total monthly contribution, up to R3 836.00.
 - 5–10 years of service: A lump sum of 24 times R1 380.00.
 - Less than 5 years of service: A lump sum of 12 times R1 380.00.
3. Injury on duty:
- Continuous medical assistance for dismissed employees or their spouses, capped at R3 836.00 per month.
4. Employee-initiated severance packages:
- Employees aged 55+ receive 75% of the total monthly contribution, up to R3 836.00.
 - 10–15 years of service: A lump sum of 36 times R1 380.00.
 - Less than 10 years of service: A lump sum of 12 times R1 380.00.

PSA's position

The PSA remains firm in its rejection of GEMS's proposed 13.4% increase in member contributions for 2025, as communicated during engagements with the PSCBC GEMS Working Committee on 20 October 2024 and the subsequent special PSCBC meeting on 12 November 2024. While the PSA acknowledges the marginal adjustment in the employer subsidy, it falls significantly short of addressing the financial burden that the proposed GEMS subscription hike would impose on members.

The PSA and other unions demanded that GEMS justify this steep increase in an urgent workshop, aiming to find solutions that balance affordability for members with the Scheme's sustainability. However, this meeting has yet to occur, as wage negotiation engagements have taken precedence. With wage negotiations scheduled for 17 to 20 December 2024, the PSA remains concerned that any hard-won salary increases could be undermined by the proposed GEMS contribution hikes.

The PSA reiterates its commitment to advocating for its members' interests and will continue to pursue resolutions that ensure both affordability and sustainability in medical scheme contributions. Members are encouraged to remain engaged and to contact the PSA for further updates.

Employees who want to join the PSA can visit the PSA's website, send an email to ask@psa.co.za, or contact PSA Provincial Offices.

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