



MEDIA STATEMENT: COSATU AND FEDUSA GIVE GEMS UNTIL 6 MAY TO REVIEW UNAFFORDABLE 9.5% CONTRIBUTION INCREASE OR FACE INTENSIFIED WORKER ACTION

29 April 2026

The Congress of South African Trade Unions (COSATU) and the Federation of Unions of South Africa (FEDUSA) have placed GEMS on notice following yesterday's engagement on the unaffordable 9.5% contribution increase imposed on public servants from 1 February 2026.

GEMS came to the meeting with explanations that do not shift the hardships faced by workers. The Scheme's presentation confirmed what organised labour has warned all along: the crisis facing GEMS is not an act of nature. It is the result of governance weakness, weak cost controls, poor planning, unmanaged financial leakages including fraud, delayed intervention and executive failure. Public servants must not be turned into the bailout mechanism for a Scheme that failed to act when the warning signs were already visible.

COSATU and FEDUSA entered the meeting expecting GEMS to table a serious solution. That expectation was not met.

Instead, GEMS leaned on actuarial modelling, reserve requirements, claims pressure and industry comparisons to justify an increase that workers cannot afford. Organised labour rejects this defence. An actuarial report may explain how GEMS priced the crisis, but it does not absolve the Board and executive management from responsibility for how the Scheme got here.

GEMS was not established as a commercial medical scheme. It was built as a social solidarity scheme for public servants. It cannot now behave like a private scheme by shifting institutional failure onto members while asking workers to accept reduced benefits, higher contributions and weaker protection.

Labour has made it clear that the 9.5% increase must be substantively reviewed. GEMS must also engage the regulatory space properly, including whether relief can be sought from the Council for Medical Aid Schemes in relation to the 25% reserve requirement, instead of using compliance as a shield against affordability.

COSATU and FEDUSA have given GEMS until 6 May 2026 to return with a substantive response. That response must deal directly with the review of the 9.5% increase. GEMS must also commit to a formal engagement framework with organised labour.

Labour is demanding a memorandum of understanding that provides for leadership-level engagements at least twice a year, supported by a working committee through the PSCBC. Never again must workers be confronted with contribution increases and benefit changes as already-made decisions.

If GEMS returns with another technical defence instead of a real review, COSATU and FEDUSA will escalate the campaign. All options remain on the table, including intensified workplace mobilisation, mass demonstrations including the withdrawal of labour, regulatory interventions and legal challenges. Public servants built this

Scheme, and they sustain it every month through their hard-earned contributions. They will not be treated as passive funders of governance failure.

Affordable healthcare is not a privilege. It is a worker right.

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