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GEMS UNDER FIRE: LABOUR REJECTS PROPOSALS AND CONDEMNS THE BOARD'S DISREGARD FOR CONSULTATION AND COUNCIL PROCESSES

Engagements with GEMS have reached a concerning point. NAPTOSA and broader labour is extremely dissatisfied with the Scheme's continued disregard for meaningful consultation, established PSCBC processes and the role of organised Labour in decisions affecting public servants.

What is particularly disturbing is the apparent attitude of the GEMS Board towards Labour and the collective bargaining structures. Labour has consistently demonstrated its willingness to engage constructively, yet GEMS continues to act in ways that undermine consultation, disregard Council processes and show little regard for the representatives of its members.

NAPTOSA wishes to state unequivocally that we find this conduct unacceptable and are not taking it lightly.

1.PROPOSED 2027 CONTRIBUTIONS AND BENEFIT CHANGES

At the GEMS/PSCBC Product Development Task Team meeting on 20 October 2026, GEMS presented a proposed uniform **7.5% contribution increase across all benefit options,** effective 1 January 2027.

The proposal was **presented at Task Team level and was not formally tabled at a Council meeting** for consideration and decision-making. GEMS' financial modelling also assumed a 4.2% employer subsidy adjustment, which has not been confirmed.

Various benefit amendments were also proposed, including reduced acute medicine limits, stricter dependant eligibility, dental restrictions and adjustments to other healthcare benefits.

The PSCBC raised serious affordability concerns, counter-proposed higher acute medicine limits and demanded that all proposed changes be properly motivated and assessed against their impact on members.

2.TOPAZ: A CONTINUED DISREGARD FOR COUNCIL PROCESSES

Labour and the Employer objected to the proposed TOPAZ option because of the lack of prior consultation and requested that its introduction be halted.

Despite the clear position of Council, GEMS proceeded to submit the proposal to the Council for Medical Schemes (CMS). It subsequently emerged that GEMS had also sought a meeting with National Treasury to discuss promoting TOPAZ and the associated subsidy arrangements.

This conduct is deeply concerning. GEMS cannot disregard the position of Council and pursue its own agenda through other structures as though collective decisions and consultation processes are optional.

When afforded an opportunity to withdraw its CMS submission, GEMS indicated that doing so would result in an additional 2% increase.

3.SPECIAL COUNCIL: LABOUR AND EMPLOYER REJECT GEMS' PRESENTATION

At the Special Council Meeting, both Labour and the Employer rejected GEMS' presentation.

The proposals had only been presented at Task Team level and had not been formally tabled before Council for consideration and decision-making. Labour made it clear that Task Teams are preparatory and consultative structures; they cannot replace formal Council processes or be interpreted as Council approval.

Parties in the PSCBC were particularly aggrieved that GEMS continued participating in Task Team engagements while simultaneously pursuing submissions with the CMS.

This raised serious questions about the purpose and integrity of the engagements and resulted in parties viewing the process as a waste of time and resources.

All proposals were rejected due to their failure to follow and respect Council processes.

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4.JOINT LABOUR PRINCIPALS CONFRONT THE GEMS BOARD: DISRESPECT WILL NOT BE TOLERATED

The Joint Labour Principals met with the GEMS Board of Trustees to confront the Scheme on its conduct and the continued disregard for established PSCBC processes.

The engagement was particularly disappointing. The Board's approach came across as disrespectful towards the Principals, even questioning the meaning of consultation.

The Principals firmly called out the Board on its disrespect towards Labour leadership and its apparent disregard for Council processes.

Of equal concern was the Board's apparent inclination to shift blame rather than accept accountability for GEMS' actions.

The Principals made it abundantly clear that consultation is not a tick-box exercise, nor does it mean presenting stakeholders with decisions that have already been taken. Genuine consultation requires engagement before decisions are finalised and **proper consideration** of stakeholder inputs.

NAPTOSA refuses to be patronised, undermined or treated as a mere formality in processes that directly affect our members!

The Board must understand that organised Labour represents the interests of thousands of public servants whose contributions sustain the Scheme. That role and the structures through which Labour exercises its mandate must be respected.

5.PARLIAMENTARY PORTFOLIO COMMITTEE PLACES GEMS UNDER SCRUTINY

The Parliamentary Portfolio Committee on Health also interrogated GEMS on governance, accountability, affordability and value for money.

Concerns raised included:

- The validity of GEMS' statistics and member satisfaction surveys.
- Whether members are receiving value for money.
- The affordability of contributions.
- GEMS' comparisons with private medical schemes.
- The failure to submit proposed PSCBC rule amendments relating to Labour's selection of Board representatives.
- The continued pursuit of TOPAZ despite the PSCBC's position.

Both GEMS and the CMS were **given two weeks** to submit written responses addressing the concerns raised. A further engagement is expected in the new year involving GEMS, CMS and the Ministers of Health and Public Service and Administration.

6.OTHER GOVERNANCE MATTERS

GEMS indicated that the investigation outcome concerning the precautionarily suspended Principal Officer, Dr Stan Moloabi, was expected before 20 November 2026.

7.LABOUR'S POSITION AND THE WAY FORWARD

Labour's position is unequivocal. We will not accept unilateral decision-making, superficial consultation or the continued undermining of established collective bargaining structures.

Our concerns go beyond the proposed contribution increase and benefit amendments. They speak to a broader pattern of conduct that raises serious questions about GEMS' accountability to its members and its respect for the institutions through which public servants are represented.

The Joint Labour Principals will meet to consider the developments, assess the Board's conduct and determine further action.

Our priorities remain:

- Protecting members' benefits and ensuring affordability.
- Insisting on meaningful consultation before decisions are finalised.
- Holding the GEMS Board accountable for its conduct.
- Defending the integrity and authority of PSCBC processes.
- Securing meaningful Labour representation in GEMS governance.

Members must be assured that Labour is not sitting back while GEMS disregards consultation, undermines Council processes and treats Labour representatives with disrespect.

We are deeply unhappy with the way GEMS has conducted itself, and the disrespect displayed towards the Joint Labour Principals is unacceptable. We will not normalise this behaviour, nor will we allow it to go unchallenged.

GEMS exists to serve its members. It must remember that its authority and sustainability are rooted in the very public servants whose interests it is entrusted to protect.

NAPTOSA, through its participation in the PSCBC and organised labour, remains resolute in defending the interests of public servants.

THE GEMS BOARD IS BELLIGERENT AND DISRESPECTFUL! ENOUGH IS ENOUGH. CONSULTATION MUST BE MEANINGFUL, COUNCIL PROCESSES MUST BE RESPECTED, AND LABOUR WILL NOT BE SILENCED OR SIDE-LINED.

Members will be kept informed of the Principals' deliberations and the next steps.

BL Manuel
Executive Director