

2026 Short Term Disability Leave of Absence Policy for Microsoft U. S. Employees

Microsoft offers qualifying U.S. employees Short Term Disability ("STD") Leave for illnesses and injuries not covered by workers' compensation laws. Workers' compensation benefits may be available for work-related conditions. Contact Benefits for more information about workers' compensation benefits.

This policy applies to *eligible employees* of Microsoft, or a *participating employer* as defined in the Microsoft Welfare Plan's Summary Description. For the definition of *eligible employee and participating employer*, visit the Benefits site and refer to the Eligibility section of the Summary Plan Description.

The information below outlines the terms of the STD leave policy. Notwithstanding anything below, re-employment rights may be affected by a leave or combination of leaves exceeding twelve (12) weeks (480 hours), return to work restrictions, and/or position eliminations, outsourcing, or reorganizations.

Interns and others classified as "t-" are not eligible to take leave under this policy but may be eligible to take unpaid time off for family or medical reasons under the Family and Medical Leave Act (FMLA) or other applicable state law. Please contact Benefits@microsoft.com for additional information. For information on the FMLA, see the Family and Medical Leave Act FAQs.

Microsoft offers STD paid leave of up to twenty-six calendar weeks to employees who meet eligibility requirements as stated below.

Prudential Financial, Inc. ("Prudential") is Microsoft's agent for the purpose of administering and issuing payment for STD paid leave under this policy. In this capacity, Prudential reviews applications for paid STD, requests and gathers information it deems appropriate for determining eligibility, determines whether and for what period the employee is eligible for paid STD, and engages in any other action it deems appropriate to administer this policy.

STD paid leave is -available for up to 26 weeks (about 6 months) subject to the requirements and schedule described below.

Week 1 through 8 – STD is paid at the rate of 100% of base pay, upon evaluation of supporting medical documentation and approval of Prudential.

Weeks 9 through 26 – STD is paid at the rate of 75% of base pay, upon evaluation of supporting medical documentation and approval of Prudential.

How Long Must You Be Disabled Before Your Leave Begins?

Employees must satisfy an elimination period (also known as the waiting period), which is the amount of time that must pass after an illness or injury before you can begin receiving paid leave under this policy.

Your elimination period is 5 paid working days paid on the Microsoft payroll as regular wages, and will appear on your Microsoft paystub as "paid sick." You must be continuously disabled throughout this period for it to count toward your eligibility for STD paid leave. If you start your 5-day elimination period, then return to work for 5 continuous days during the elimination period, the elimination period will start over. Any days that you are not disabled, or time off taken prior to your elimination period starting or restarting, must be accounted for using other time away options.

Partial days count as full days toward the elimination period, provided you meet the definition of disability, including the 20% earnings loss requirement. If you satisfy the elimination period with partial days, those days are paid as partial days. At no point during the elimination period may you receive more than 100% of your salary. You may be asked to repay the 5-day paid elimination period in the event your leave application with Prudential is not completed.

Examples:

You begin your elimination period, which extends for 3 days before you return to work for 5 continuous days. You must restart the elimination period and account for those 3 previous days with other time away options, such as HHTO, vacation or floating holidays for hourly employees, or unpaid medical leave, as appropriate.

You are disabled for 2 partial days (for which you satisfy the 20% earnings loss requirement), followed by 3 full days. You have met your 5-day elimination period and will need to log your hours worked for the 2 partial days of disability.

For STD, you must meet the following criteria and conditions:

- You must be unable to perform the **Material and Substantial Duties** of your **Regular Occupation** due to sickness or injury.
- You must experience a minimum 20% earnings loss while working, if applicable.

- While on STD, you must remain under the regular care of a qualified health care provider and participate in the provider's recommended **Treatment**, which may involve **Continuing Treatment** or **Inpatient Care** under the **Regular Care** of a qualified health care provider.
- You must agree to have supporting medical documentation initially and periodically reviewed by Prudential and/or their designated agents (claims managers, consultants, medical providers, etc.), for review in connection with your STD claim. Relevant claim details may be released to Microsoft for administration purposes upon request.
- You must agree to reimburse Microsoft and/or Prudential in the event you receive an STD overpayment.
- Prudential makes STD leave eligibility determinations based on any and all facts, evidence, evaluations, and opinions they deem appropriate in their sole discretion, including, but not limited to any and all information provided by your medical provider(s), other medical provider(s), vocational experts, and any third parties requested by Prudential to evaluate your disability. Prudential may use this information to make initial STD leave eligibility determinations, continuing eligibility, and length of STD eligibility.
 - Where information or opinions conflict, Prudential determines, in their sole discretion, the weight to accord to the information or opinions at issue and what information or opinions are determinative of eligibility.
 - If Prudential requires you to be examined by doctors, other medical practitioners or consultants, or vocational experts of their choice, Prudential will pay for these examinations.
 - Prudential can require examinations or evaluations as often as they deem necessary to determine eligibility for STD leave.
 - Prudential may also require you to be interviewed by an authorized Prudential Representative or third-party evaluator. Refusal to be examined or interviewed may result in denial or termination of pay during STD.

For purposes of the STD policy, the following definitions apply:

- **"Continuing Treatment,"** by a health care provider includes treatment for conditions with short-term, chronic, or permanent periods of incapacity.
- **"Inpatient Care,"** means an overnight stay in a hospital, hospice or residential medical care facility, including any period of incapacity or any subsequent treatment in connection with such inpatient care.
- **"Material and Substantial Duties,"** means duties that are normally required for the performance of your job functions
- **"Regular Care,"** means:
 - You personally visit a medical provider as frequently as is medically required or advised, according to generally accepted medical standards, to effectively manage and treat the claimed disabling condition(s); and
 - You are receiving the most appropriate treatment and care, which conforms with generally accepted medical standards, for your disabling condition(s) by a medical provider whose specialty or experience is the most appropriate for your disabling condition(s), according to generally accepted medical standards.
- **"Regular Occupation,"** means the occupation you are routinely performing when your claimed disability begins. Prudential will look at your occupation as it is normally performed instead of how the work tasks are performed in a specific position or at a specific location.
- **"Treatment,"** includes but is not limited to examinations to determine if a serious health condition exists and evaluations of the condition. It does not include routine physical, eye or dental examinations.

Short Term Disability Leave Related to Maternity/Pregnancy Leave

Birth mothers/persons who desire may request to take STD paid leave starting up to 14 days preceding the anticipated/scheduled delivery date (assuming a routine pregnancy) without being required to submit a Physician's Statement of Impairment. Prenatal STD paid leave will commence at 100% of base pay. Choose the "Prenatal or Pregnancy with Complications" option in the LOA tool to apply. Prenatal STD leave is administered and paid by Microsoft. You are not required to contact Prudential for the two weeks of Prenatal STD leave. If you have been approved for STD leave and your baby is not born as of the due date as anticipated, you will remain on approved STD leave until your child is born. When your child is born, your STD leave will end, and your Maternity Disability Leave will begin. You must reach out to benefits@microsoft.com to confirm the date of delivery.

Additionally, if you experience a disability-related to pregnancy prior to 14 days before your routine due date, you may still be eligible for paid STD leave under this policy as administered by Prudential. If you experience a disability related to pregnancy or childbirth before or after your Maternity Disability Leave period, you may still be eligible for paid STD leave under this policy, Microsoft's long term disability plan, Microsoft's parental leave policy, or applicable law.

Microsoft also offers employees up to twelve weeks of paid Parental Leave. For persons who have given birth, parental leave runs separately from STD and Maternity Disability Leave, and in most cases, begins on the day after Maternity Disability Leave ends. Birth persons who experience childbirth-related disability for longer than the Maternity Disability Leave period may have the option to take additional STD leave before commencing Parental Leave. In rare situations where childbirth-related disability occurs after Parental Leave ends, additional leave may be available under this policy, Microsoft's Long Term Disability Plan, or applicable law. Contact Benefits@microsoft.com to discuss your leave options.

Microsoft Discretion

Unless prohibited by federal or state law, Microsoft and/or Prudential, in their sole discretion:

- Determine whether an employee meets the eligibility requirements for paid STD leave.
- Determine whether objective medical evidence is required to support a request for paid STD leave.
- May deny paid STD leave for periods during which an employee is unable to work due to cosmetic surgery and its effects.
- May deny STD leave if the employee is able to work with accommodations that the company has offered.
- May deny STD leave if the employee is incarcerated in any federal, state or municipal penal institution, jail, medical facility, hospital (public or private) or in any other place because of a criminal conviction under a federal, state or municipal law or ordinance.
- Determines whether additional information, exams, or tests are needed to determine eligibility for STD leave.

Employee Responsibilities and Availability While on STD Leave

- During the STD leave period you (or an authorized representative who can speak on your behalf) must be available and reachable via phone, text, and/or email.
- Your contact information (address, phone, personal email) must be up to date and provided to Prudential prior to your STD leave start date.
- Unless hospitalized or incapacitated you are responsible for speaking with your Prudential Claim Manager directly.
- You must respond to inquiries from your Prudential Claims Manager within three business days.
- You are required to inform/update Prudential and your manager of any changes to your leave duration and return to work plans.
- You are required to work with your medical provider to submit supportive medical records to Prudential, such as the Attending Physician Statement, office visit notes, and test results as early as possible to expedite review of your initial STD leave application AND any requests for extension of your leave. Submitting as much supportive medical information as early as possible may enable you to avoid or minimize periods of unpaid leave.

Medical Certifications

Before your leave request is granted, medical certification is required from your health care provider. For consideration of STD leave the Prudential Attending Physician Statement is required. Prudential or Microsoft may, before or at any time during your leave, require you and your records to be evaluated by one or more health care providers or consultants chosen by Microsoft or Prudential. You may be granted paid STD leave provisionally (i.e., prior to submitting medical certification), and if this occurs, you will be given a deadline by which you must provide medical certification. If you choose to seek medical certification from a health care provider outside the U.S., the provider must complete the Physician Statement of Impairment form in English and must be reachable to respond to follow-up questions. Additionally, proof of medical credentials may be required by Prudential. For the entire time you are on leave status (regardless of the type of leave), Microsoft may, as it deems appropriate, and unless inconsistent with applicable law, require additional or updated medical documentation in order to periodically review your situation.

When STD Pay Begins

You are eligible to apply for paid STD leave on or after your date of hire, and will be required to meet the 5-day paid elimination period described above. After you apply for STD leave, Prudential will determine if you meet the paid STD criteria. Your STD leave pay will not be made through Microsoft payroll during your STD leave period, but rather will be administered and distributed by Prudential. As such, your leave status on your paystub will appear as "unpaid leave" even if you are receiving STD pay through Prudential. Prudential STD pay is pending receipt and review of all medical information necessary for a decision on initial or continued STD pay. Upon approval, STD leave time and pay begins after you satisfy the 5-day elimination period. If your medical condition allows you to continue working a partial work schedule, and you apply for a partial STD leave, you will still need to meet the 5-day elimination period as described in this policy.

Calculation of Leave Time and Pay

Eligible employees may receive up to 26 weeks of paid STD leave, following the 5-day paid elimination period. The 26-week period is counted in calendar weeks, and any partial STD week counts as a full week. STD leave is paid at 100% of base pay for the first 8 weeks, then at 75% of base pay for the remaining 18 weeks, subject to approval by Prudential.

Base pay reflects current salary (or base hourly pay for hourly employees) in effect just prior to your date of disability and does not include bonuses, overtime, commission, stock value or any other form of extra compensation. Sales incentive payments may be impacted by a leave of absence.

Partial Short-Term Disability (STD) Leave

If your medical condition prevents you from working full-time, but you are capable of working part-time, you may be eligible for or required to take leave on a reduced work schedule. In such situations, job duties, work schedules, and pay will be determined on a case-by-case basis. In some circumstances, the company may choose to temporarily reassign an employee to an alternative position that better accommodates the intermittent or reduced schedule. If you are capable of working part-time and have at least a 20% or more earnings loss, you may be eligible to receive partial STD pay. See Full STD Leave section above.

You are Partially Disabled when:

- You are not **Totally Disabled**; and
- While actually working in your **Regular Occupation**, and as a result of your sickness or injury, you are unable to earn 80%

or more of your weekly earnings.

STD leave pay will be prorated based on the employee's reduced work schedule, at the time they file their claim. Weekly STD leave payments will be as follows:

- Multiply your **Weekly Earnings** by the length of your leave period as shown below to determine what a Gross Disability Payment would be.
 - 100% of your Weekly Earnings for leave periods less than 8 weeks.
 - For leave periods of 9-26 weeks, 100% of your Weekly Earnings for weeks 1-8, plus 75% of your Weekly Earnings thereafter.
- Subtract any Deductible Sources of Income from your Gross Disability Payment. This is your Weekly Payment.
- Your Weekly Payment will be offset by any Disability Earnings, as follows:
 - While working, add your weekly Disability Earnings to your Gross Disability Payment.
 - If this amount is less than or equal to 100% of your Weekly Earnings, your weekly payment will not be further reduced.
 - If this amount is more than 100% of your Weekly Earnings, your weekly payment will be reduced by the amount that is more than 100% of your weekly earnings.

After the elimination period, if you are disabled for less than 1 week, we will send 1/5 of your payment for each day of disability. If you are an hourly employee working an irregular work schedule, we will send 1/7 of your payment for each day of disability.

For purposes of calculating weekly STD pay, the following definitions apply:

- **"Disability Earnings,"** Disability Earnings include any wages received for work performed as part of your reduced work schedule during your partial STD claim.
 1. You will be required to send proof of your weekly disability earnings on a weekly basis. As part of your proof of disability earnings, you may be required to send appropriate financial records, including copies of your federal income tax return, and Forms W-2 and 1099, which are necessary to substantiate your income.
- **"Deductible Sources of Income,"** The following deductible sources of income will be deducted from your Gross Disability Payment:
 1. The amount that you receive as loss of time benefits under:
 - a workers' compensation law;
 - an occupational disease law; or
 - any other act or law with similar intent.
 2. The amount that you receive as loss of time disability income payments under any state compulsory benefit act or law.
 3. The amount that you, your spouse and children receive as loss of time disability payments because of your disability under:
 - the United States Social Security Act;
 - the Railroad Retirement Act;
 - the Canada Pension Plan;
 - the Quebec Pension Plan; or
 - any similar plan or act.
 4. Amounts paid to your former spouse or to your children living with such spouse will not be included.
 5. The amount that you receive as retirement payments or the amount your spouse and children receive as retirement payments because you are receiving payments under:
 - the United States Social Security Act (except as specifically provided otherwise below);
 - the Railroad Retirement Act;
 - the Canada Pension Plan;
 - the Quebec Pension Plan; or
 - any similar plan or act.
 - Benefits paid to your former spouse or to your children living with such spouse will not be included.

Your payment will not be reduced by your Social Security Retirement income if you receive it after Social Security Normal Retirement Age and you begin receiving Social Security Retirement prior to your date of disability.

6. The amount of loss of time benefits that you receive under any Company-provided salary continuation or accumulated sick leave policy or program.
7. The amount that you receive, due to your disability, from a third party (after subtracting attorney's fees) by judgment, settlement or otherwise.

With the exception of retirement payments, only Deductible Sources of Income which are payable as a result of the same disability will be subtracted from STD pay.

If you are awarded benefits under items 2 or 3 above, , your STD payments will be reduced by an estimated benefit amount.

What Are **Not Deductible Sources of Income**? Income you receive from, but not limited to, the following sources will not be deducted from your gross disability payment:

- 401(k) plans;
- profit sharing plans;
- thrift plans;
- tax sheltered annuities;
- stock ownership plans;
- non-qualified plans of deferred compensation;
- pension plans for partners;
- military pension and disability income plans;
- credit disability insurance;
- franchise disability income plans;
- a retirement plan from another employer;
- individual retirement accounts (IRA);
- motor vehicle insurance.

"Weekly Earnings" is the base annual salary or hourly pay in effect just prior to your date of disability.

If your disability earnings are expected to fluctuate widely from week to week, Prudential may average your disability earnings over the most recent 3 weeks to determine if your leave should continue subject to all other terms and conditions in the policy. If Prudential averages your disability earnings, you will not receive a payment for any week that your disability earnings exceed 80% of your pre-disability earnings.

Treatment Outside the United States

If you choose to seek treatment out of the country, you must provide your Prudential Claims Manager with appropriate contact information (address, phone, name of emergency contact) for the country in which you will temporarily reside. You must respond to inquiries from your Prudential Claims Manager within 3 business days.

STD Leave Limited by Medical Need

The length of STD leave is determined by medical need, and STD leave will cease when you no longer meet the requirements for STD leave.

You will technically be placed on "unpaid leave" for purposes of Microsoft payroll processes after you satisfy the 5-day elimination period, and any STD pay will be administered and distributed by Prudential. When and if you are approved for paid STD, pay may be retroactive to the first date STD pay was approved. STD pay may be approved retroactively if additional evaluation or recertification is required to determine continued eligibility for paid STD leave; however, STD pay will be granted retroactively to cover approved time that may have previously been unpaid.

Example: if you apply for eight weeks of STD leave and are initially approved for the first four weeks, Prudential will continue to review your claim on an ongoing basis to determine if you remain eligible for paid STD beyond that period. If, during the review, it's determined that you are no longer medically supported or do not meet the definition of disability, you will be placed on unpaid leave at that time. If additional medical documentation is submitted later and your claim is found to be medically supported, your STD pay will be reinstated for the additional time, and payment will be made retroactively to the date your previous STD pay ended.

Eligible employees are encouraged to apply for STD leave as soon as they become aware of need for such leave, and to have health care providers submit supportive medical records, such as the Attending Physician Statement (Prudential will provide), office visit notes, and test results. Reporting your leave and submitting supporting medical documents to Prudential as early as possible will expedite review of your application and may enable you to avoid or minimize periods of unpaid leave.

*In the event you later become eligible to apply for benefits under Microsoft's long term disability Plan, the date of disability used to calculate Long Term Disability benefits is the first date you are deemed disabled in accordance with the definition of disability in the Long Term Disability policy.

Multiple STD Leaves

A subsequent leave for the same, related, or concurrent condition taken within 6 months following return to active employment from STD leave will be considered an extension of the original STD leave. A condition will be considered "related" or "concurrent" if (a) it in whole or part arose from, was triggered by, or gave rise to the condition(s) for which the original STD leave was taken, or (b) the employee received treatment or medical consultation for the secondary condition while on the original STD leave. Microsoft and/or Prudential will determine in its sole discretion whether a condition meets this definition of "related" or "concurrent." If determined the conditions are "related" or "concurrent", your prior STD will resume and a new STD leave will not be opened for the secondary condition.

If your current disability is unrelated to or was not concurrent with your prior condition or you have returned to work for more than 6 months, Microsoft and/or Prudential will treat your current disability as a new leave. Subsequent leaves—whether for the same or a different condition—are subject to the eligibility requirements described above.

Subrogation and Overpayment

Microsoft and Prudential as its agent reserve the right to subrogate against any third party liable for the condition for which leave was taken. Work-related injuries and illnesses are covered by workers' compensation, not by this STD policy. If you receive STD pay and subsequently receive workers' compensation benefits for the same condition, or if you receive an overpayment of STD pay, you will be required to reimburse Microsoft all or a part of the STD pay you received. If you are overpaid while on leave, you will receive written notice from Payroll which will include the overpayment amount and re-payment instructions.

Confidentiality of Records

Unless you request otherwise, all documentation regarding your medical condition will be kept with Prudential and/or Benefits and will not become part of your personnel file. Information kept in Benefits and Prudential files will be disclosed only on a strict need-to-know basis.

Effect of Short-Term Disability Leave Upon Microsoft Health and Welfare Benefits

Microsoft employees and their enrolled dependents remain eligible for medical, prescription drug, vision, dental and health and wellness benefits during their STD leave period. Payroll benefit deductions will not be taken from your STD pay, which will be classified as an "unpaid leave" for purposes of Microsoft payroll processes. Such deductions that otherwise would have been taken during your STD leave period (e.g., Health Savings Account, Flexible Spending Accounts, voluntary Life Insurance, Group Legal) will be deducted from your first paycheck upon your return from leave, if applicable. 401(k) plan contributions will pause while you are on STD leave, and resume when you return from leave or receive any eligible compensation via Microsoft payroll. For purposes of any 401(k) plan loan repayments, your STD leave will be treated as "unpaid leave," subject to all applicable terms of the Microsoft Corporation Savings Plus 401(k) Plan, summary plan description, and loan policy. Hourly employees: Vacation is not accrued while on STD leave. Vacation will be accrued in full while an employee is working during partial STD leave.

Effect of Leave(s) Upon Stock Vesting and ESPP

Please refer to [Stock award and stock option vesting policies for leaves of absence and part-time employment](#) regarding how the vesting of your stock award (or stock option) is affected by certain leaves of absence.

Contributions to ESPP will pause during STD leave periods, unless and until you receive any eligible compensation such as HHTO, bonus or regular pay. If you withdraw from ESPP, you may re-enroll in the program at any time prior to the next offering period. If you are on leave during an ESPP offering period you may use the ESPP online tool at to enroll, change your contribution rate, or withdraw from an offering period. If you are not able to use the online ESPP tool, then you must contact Fidelity directly at (888) 810-6738, option 2 prior to the ESPP enrollment deadline. Please contact Benefits for further information and refer to ESPP.

Microsoft Holidays

Leaves of absences, paid or unpaid, are not extended if Microsoft designated holidays fall during your leave. Additionally, if you are on STD leave, you will be paid at your applicable STD pay rate on these holidays (100% during weeks 1-8 of leave and 75% during weeks 9-26 of leave). If you are on unpaid leave following a period of STD leave, you are not eligible for Microsoft designated holidays.

If you are on an approved paid partial STD or partial Long-Term Disability leave during a company observed holiday, your pay for that day will be pro-rated based on the average number of hours you have been working or approved to work.

Rewards Allocation

If you are on an approved leave of absence during the review period, the same review policies that apply to employees not on a leave will apply to you. Microsoft employees must work at least 90 days during the fiscal year to be eligible for rewards allocation, consideration for annual bonus, merit increase and/or stock award (if other stock eligibility requirements are met). For more information on how rewards are calculated, please visit:

[Bonus eligible salary](#)

[Company guide to understanding how leave impacts Annual Rewards](#)

[Impact on rewards for new hires, leaves, or promotions](#) (7-min video)

[Summary of Benefits and Base Compensation while on a US leave of absence](#)

If you are on an approved leave of absence during rewards allocation, and you have worked at least 90 days during the fiscal year, you have the option to meet with your manager to have your annual rewards discussion during your leave or when you return to work. Regardless of the option you choose, you will receive your annual rewards (if any) at the same time as other employees on your team. If feasible, you should speak with your manager about completing a Connect prior to going out on a leave of absence based on the Connect cadence in your part of the organization. If this is not possible, you may complete a Connect upon your return.

Applying for STD Leave and Eligibility

To the extent that you are able, you must submit your STD leave request by calling Prudential's intake line at 1-877-673-8562 (877-MSFTLOA) and following the voice prompts or by entering your claim into Prudential's Online System at least 15 calendar days prior to the start date of your STD leave. In no event may you submit a request for STD leave after you have terminated employment with Microsoft or a participating employer unless otherwise permitted under applicable state law. Medical documentation is necessary to determine initial and on-going eligibility for STD leave. If it is not feasible to submit the medical documentation in this 15-day timeframe, it must be submitted within 30 days of your leave commencing. If the required medical certification form is not received in the allotted timeframe, Microsoft will take any action that it deems appropriate, including, but not limited to, treating your leave as unpaid, requiring that you return to work, and treating your continued absence as job abandonment.

In the event required documentation is not received within 30 days of the date your leave commenced, or in situations where the employee has been approved for STD leave but fails to submit updated documentation by a date requested by Prudential, Prudential reserves discretion to deny paid leave for the time period prior to such submission and to approve STD pay only for periods following receipt of the required documentation. Regardless of your receipt of STD pay, all leave time will be counted toward the maximum STD leave period of 26 weeks. In situations where the request for STD pay and/or the Statement of Impairment are not received until after the employee returns to work, the employee is not eligible for retroactive STD pay for the entire leave regardless of whether the employee otherwise met eligibility requirements.

FAILURE TO MEET ANY REQUIREMENTS OR DEADLINES STATED IN THIS POLICY, OR TO COOPERATE WITH MICROSOFT'S EFFORTS TO DETERMINE ELIGIBILITY FOR PAID OR UNPAID LEAVE, MAY RESULT IN DENIAL OR DISCONTINUATION OF SHORT-TERM DISABILITY PAY AND/OR YOU BEING REQUIRED TO RETURN TO WORK AND/OR TERMINATION OF EMPLOYMENT. DISHONESTY OR MISREPRESENTATION IN CONNECTION WITH A REQUEST FOR STD LEAVE MAY RESULT IN DISCIPLINARY ACTION, UP TO AND INCLUDING IMMEDIATE TERMINATION OF EMPLOYMENT.

Moonlighting While on Leave

If you plan to engage in any moonlighting activity while on an approved STD leave, you must make sure the activity is consistent with the company [moonlighting policy](#) and your Employee Agreement. You must also notify Prudential and Microsoft Benefits of your planned moonlighting activity, the hours you work and any pay you receive. You will be required to provide the name of the company or person you are working for (or if you are self-employed), your job title and duties. If the work demands of the moonlighting job demonstrate that you can perform the material and substantial duties of the occupation you were performing for Microsoft just prior to your leave, you may not be eligible for STD leave. Failure to report such moonlighting activity as required may disqualify you from receiving STD leave.

Re-employment

If your short-term disability leave is twelve (12) weeks or less, as determined by your physician, Microsoft will return you to your previous position or an equivalent position, absent certain exceptions (e.g., elimination of your position due to a reduction in force, reorganization, or signed agreement providing for your separation from Microsoft). If your physician recommends that you return to work with restrictions, Microsoft will work with you, your manager and your physician to determine whether those restrictions can be reasonably accommodated. Information from other medical and/or vocational experts may also be considered.

Business needs may require that your position be filled if you are on a leave or combination of leaves longer than 12 weeks. Job fill decisions will be made on a case-by-case basis and at Microsoft's sole discretion, considering factors that may include, among others, your medical status and prognosis, information from your health care provider(s), information from other medical professionals, and the business impact of continuing to hold your job open.

If your job is filled and you remain on leave status, Microsoft will review several factors upon your release to return to work to determine, in its sole discretion, whether you will remain employed and, if so, what your employment status will be. These factors may include, among others, the availability of open positions for which you are qualified, whether any work restrictions can be accommodated, current business needs, and your qualifications, experience, and skillset. You may be eligible for assistance in locating a new position and/or a severance package.

Leave in Excess of STD Period

If you exhaust STD leave and remain unable to return to work full-time, Microsoft will periodically review your circumstances to determine, in its sole discretion, whether you will remain employed and what your employment status will be. Factors may include, among others, your medical status and prognosis, information from your health care provider(s), information from other medical professionals, and the business impact of continuing to hold your job open.

Impact of Job Elimination on Leave

Job Elimination While on Leave Status: If you commenced a full-time STD leave prior to the scheduled notification date for a job elimination impacting your role, you may remain on such approved STD leave subject to the terms, conditions and restrictions of the

policy. When your health care provider certifies that you are able to work, you may be eligible for severance benefits and/or separation pay upon your release. For pregnancy-related STD leave, please refer to the applicable Maternity Disability Leave Policy.

Job Elimination and Subsequent STD Leave Eligibility

Employees may be eligible for STD leave on or after the scheduled notification date for a job elimination impacting their role, provided they meet eligibility requirements; however, any leave approval provided will not result in an adjustment or extension of the termination date, except as may be required by applicable law. If the termination date is not adjusted, the employee may, at Microsoft's sole discretion, be offered a special payment following termination. For more information, contact Microsoft Benefits at (425) 706-8853 or by emailing benefits@microsoft.com or hrrassist@microsoft.com.

Effect of Unpaid Leave(s) Upon Payroll Deductions and Imputed Income

Employees who are enrolled in benefits that require a payroll deduction or result in imputed income will not have deductions taken during their STD leave period or during any other leave classified as "unpaid" for Microsoft payroll purposes. Upon return from STD or an unpaid leave, Payroll will make deductions from your paycheck to account for payment of missed deductions and taxes for the duration of your time away from work.

Interaction with Family & Medical Leave Act, State Leave Laws, and Signed Agreements

This policy is intended, in part, to implement certain rights granted under the Family and Medical Leave Act (FMLA). The FMLA imposes service-related eligibility requirements on employees, i.e., to have been employed by Microsoft for at least 12 months and to have worked at least 1,250 hours during the 12-month period prior to commencing leave. Except for interns, Microsoft does not require its employees to satisfy these service eligibility requirements in order to apply for or commence a leave of absence. However, Microsoft reserves discretion to apply FMLA service requirements for an employee who has been on leave of absence or inactive status for an extended amount of time. For example, if an employee has been on one or more leaves of absence for a total of six months or more in a 12-month period, the company may choose to apply the 1,250-hour service requirement as to any additional requests for leave.

The FMLA does not grant family medical leave rights to care for a same sex domestic partner, but Microsoft's Family Caregiver Leave policy grants such leave as a company benefit.

Time away from work while on other types of leave or inactive status (for example, Short Term Disability Leave, Long Term Disability, Workers' Compensation Leave, Maternity Disability Leave, Parental Leave, Family Caregiver Leave, Military Family Leave, unpaid leave, inactive status, etc.) will be counted against an employee's entitlement (if any) to leave under the FMLA and any applicable state and local laws, to the extent permitted by such laws. In other words, leave or inactive status under this policy and other company policies and programs will run concurrently with leave provided for under the FMLA and other laws, to the extent permitted by those laws. HHTO, vacation (hourly/non-exempt employees only) and floating holidays (hourly/non-exempt employees only) will also be counted as FMLA leave when the employee chooses to use HHTO, accrued vacation or floating holidays during an FMLA-qualifying unpaid leave.

Please note that re-employment rights may be affected when a leave or combination of leaves exceeds the applicable FMLA limit or when a position is eliminated due to a re-organization, reduction in force, or other business reasons.

If you have signed an agreement providing for your separation from Microsoft, your employment will be terminated as specified in the agreement, and you will no longer be on leave status or be eligible for STD leave.

For more information on the FMLA, see the Family and Medical Leave Act FAQs.

Microsoft reserves the right to amend the above policies as to existing and/or future leaves without further notice and at any time due to changes in federal, state, or local law or for any other reason.

The facts and information you provide to support initial and ongoing eligibility for STD leave must be true, accurate, and complete to the best of your knowledge. Provision of untrue, inaccurate, or incomplete information, or falsification, misrepresentation or omission of facts or information will result in the denial of STD leave and discipline, up to and including termination of employment. Microsoft reserves the right to recoup any payments made to you in error, or to deny STD leave for an employee who has been convicted of a crime and/or is incarcerated.

If you are an employee residing in a state with paid family and medical leave laws, you may be eligible for additional benefits under state law. Please see state notices on HRWeb under [Short-Term Disability](#) for further information.

**The term "disability" as used in this policy and for purposes of Short-Term Disability Leave, is not synonymous with any definition of disability under State or Federal law, such as the Americans with Disabilities Act, the Rehabilitation Act of 1973 or RCW 49.60. Eligibility for STD leave is not an admission or finding that you are "disabled" within the meaning of any such laws or that you are entitled to accommodation.*

Short Term Disability FAQ for Microsoft Employees

If I am exploring my Short-Term Disability (STD) leave options, who can I contact for more information?

You may contact Prudential at 1-877-673-8562 (877-MSFTLOA).

Who will be my point of contact for my STD leave?

Your Prudential Disability Claims Manager (DCM) will be your main point of contact throughout your paid leave.

How do I submit my STD application to Prudential?

Call Prudential at 1-877-673-8562 -and follow the voice prompts.

Alternatively, you can enter your claim into Prudential's Online System. You'll find the steps here: [Prudential Application Instructions](#)

Prudential will collect information for your STD Leave Review. Please have the following information ready:

- Employee ID number
- Health care provider's name, phone number and fax number
- Your last day worked and your first day out due to this condition
- The date you are estimated to return to work if know
- The Microsoft Control number for Prudential is **43994**

I am pregnant and want to apply for STD leave up to 2 weeks in advance of my anticipated due date. What is the process?

If you want to take STD leave, you will need to apply for it **before** you apply for maternity disability leave.

1. Go to the Leave of Absence (LOA) tool.
2. Under **Pregnancy & Childbirth** choose **Prenatal**.

What if I am found to be ineligible for STD leave?

Provided you meet policy provisions, you may be eligible for unpaid medical leave if you are ineligible for STD leave. Your Prudential Claims Manager will transition your case to unpaid medical leave.

If you disagree with the decision Prudential has made regarding your STD leave, you have the option to appeal this decision. If you choose to do so, your appeal must be made in writing by you or your authorized representative and submitted within 180 days of the date of receipt of Prudential's decision letter. Your appeal should contain:

- Your name, Microsoft control number -43994, and your claim number
- The reasons that you disagree with Prudential's determination
- Medical evidence or information to support your position such as:
 - Copies of therapy treatment notes
 - Any additional treatment records from physicians
 - Actual test results (e.g., EMG, MRI)

You may submit with your appeal any other written comments, documents, records, or information related to your claim. You may receive, upon request and free of charge, reasonable access to, and copies of, documents, records, and other information relevant to your claim. Your written appeal should be submitted to the Appeals Review Unit at the address or fax number listed at the top of the cover letter.

Prudential typically requires 45-90 days to make an STD appeal determination. While Prudential does strive to make a decision as quickly as possible, there are variables that factor into decision timeframes such as the ability to procure needed medical records and the requirement for independent medical review. You will receive written notice of the date by which the Appeals Review Unit expects to render a decision within the initial 45-day period, and updates thereafter if an extension of time is needed. If the Appeals Review Unit requests additional information, the extension may be delayed until you provide the requested information.

Please note: Microsoft's STD Policy and STD appeal process are not regulated by ERISA and are not subject to ERISA appeal requirements.

If Prudential's decision to deny paid STD leave is upheld at the first level of appeal, you or your authorized representative may file a voluntary second appeal. You are entitled to receive upon request, and at no cost, relevant information in Prudential's possession to help you make a decision about filing this appeal. The same time frame for the first appeal will apply to the second appeal.

How can you help to move the appeal review along as quickly as possible?

If medical records are requested from your treating provider(s), ask them to submit the documentation in a timely manner. Some medical providers require that you sign their own medical authorization form in order to respond to a medical records request from Prudential.

How will I receive my STD pay?

You will begin to receive payments when Prudential approves your claim, provided that the elimination period has been met. Prudential will send you a payment every two weeks for any period for which STD leave is approved.

Can I request to use my HHTO, accrued vacation time or floating holidays while on leave?

You may use HHTO, vacation time (hourly/non-exempt employees only) or floating holidays (hourly/non-exempt employees only) during unpaid medical leave. You may not substitute or augment paid STD with HHTO, vacation time or floating holidays.

How does taking a Leave of Absence Impact Sales Incentive Plans?

You can find information with respect to your Sales Incentive Plan and how it impacts leaves by contacting askcomp@microsoft.com.

If I am an hourly employee, how do I report my time while I'm on STD leave?

While on STD leave, hourly employees are not required to submit timecards reflecting their time off. Once you are approved for and placed on paid status in our system, this triggers Prudential to pay at the applicable STD rate while you are on a leave. If you are on partial STD leave, you will enter your time **worked** in the Microsoft Leave of absence tool.

Am I able to check my e-mail or work while I'm on STD leave?

You should not perform work while you are on leave. You may choose to read email to keep connected to work, however do not respond or re-direct emails related to work issues. If you would like to discuss working from home on a part-time basis while on STD leave, please contact Prudential.

Can I make changes to my health care benefit options during the annual open enrollment period even though I am out on STD leave?

If you are out on STD leave during the annual open enrollment period in November, Benefits will send an enrollment packet to your home address and allow you to make changes to your benefits package. The changes you make to your benefits will be effective on January 1st.

How does a leave of absence affect my Giving Campaign Contributions?

While on STD leave, your giving-related payroll deductions will not occur, and the scheduled transactions for the period of your STD leave will be deleted from the Giving Portal. If you set up recurring payroll deductions, the deductions will resume as scheduled upon your return from leave. Before or after going on STD leave, you can set up a one-time payroll deduction to make up for the missed pay periods during your leave period.

How does a leave of absence affect Rewards allocation?

For more information on how taking a leave impacts annual rewards, please visit:

[Bonus eligible salary](#)

[Company guide to understanding how leave impacts Annual Rewards](#)

[Impact on rewards for new hires, leaves, or promotions](#) (7-min video)

[Summary of Benefits and Base Compensation while on a US leave of absence](#)

What are the rules for stock vesting and leave of absence under Microsoft's stock plan?

Please refer to [Stock award and stock option vesting policies for leaves of absence and part-time employment](#) regarding how the vesting of your stock award (or stock option) is affected by certain leaves of absence.