

# Short Term Disability Leave of Absence Policy for Microsoft Employees

Microsoft offers qualifying domestic regular 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 reason under the Family and Medical Leave Act (FMLA) or other applicable state law. Please contact Benefits for additional information. For information on the FMLA, see the Family and Medical Leave Act FAQs.

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

Prudential Financial, Inc. ("Prudential") is Microsoft's agent for the purpose of administering paid STD 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.

Microsoft determines eligibility for unpaid STD under this policy but has discretion to seek assistance or consultation from third parties as it deems appropriate.

STD Leave is available for up to 26 weeks subject to the requirements and schedule described below. **If you are an hourly employee that typically works an irregular schedule, leave time is based on hours, rather than weeks.**

Week 1 through 8 (320 hours max) – 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.

**First 12 weeks of disability:** For **paid** STD Leave, you must meet the following criteria and conditions:

- Be assessed and certified by your medical provider to have a serious health condition that results in a period of incapacity that makes you unable to perform the functions of your position.
- 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.

The following definitions apply for purposes of determining eligibility for the first 12 weeks of disability:

- Serious Health Condition means an illness, injury, impairment, or physical or mental condition that involves inpatient care or continuing treatment by a **health care provider**.
- Incapacity means the inability to work, attend school or perform other regular daily activities due to a serious health condition (or treatment for or recovery from a serious health condition).
- 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.
- 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.
- Continuing treatment by a health care provider includes several distinct definitions and can include conditions with short-term, chronic, long-term or permanent periods of incapacity.
- 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.

## After 12 Weeks of Disability

- You must be unable to perform the material and substantial duties of your regular occupation due to sickness or injury.
- During paid STD leave, you must remain under the regular care of a qualified health care provider.
- You must agree to have your medical status and documentation initially and periodically reviewed by the Company's Benefits Business Partners and/or Prudential and/or medical consultants.
- You must agree to the release of relevant records for review by the Company's Benefits Business Partners or Prudential claims managers, consultants, and/or medical providers.

- Prudential determines paid STD eligibility 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 eligibility for paid STD leave. Prudential may use this information to determine initial eligibility, continuing eligibility, and for how long you may be eligible. If 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. Microsoft or Prudential can require examinations or evaluations as often as they deem necessary to determine eligibility. Microsoft or 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 leave.

The following definitions apply for purposes of determining eligibility for paid STD leave after the first 12 weeks of disability:

- Material and substantial duties means duties that are normally required for the performance of your regular occupation.
- 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.
- 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.

### **Unpaid STD Leave**

For Unpaid STD Leave, you must meet the following criteria:

- Be a regular employee (not work as an intern); and,
- Have a serious health condition (defined above) that makes you unable to perform the functions of your position.

### **Short Term Disability Leave Related to Maternity/Pregnancy Leave**

Birth mothers/persons who desire may request to take STD 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. STD pay will commence at 100% of base pay. Choose the "Prenatal or Pregnancy with Complications" option in the LOA tool to apply. 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.

Additionally, if you experience disability-related to pregnancy prior to 14-day days before your routine due date, you may still be eligible for paid or unpaid STD leave under this policy, but you will be required to submit a Physician's Statement of Impairment completed by a health care provider. If you experience disability related to pregnancy or childbirth before or after your Maternity Disability Leave period, you may still be eligible for paid or unpaid 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 or your Benefits Business Partner directly 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 you are able to work with accommodation 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 paid STD leave.

### **Employee Responsibilities and Availability While on STD Leave**

- During paid STD leave you must be available and reachable via telephone.
- Your contact information (address, phone, personal email) must be up to date and provided to your Benefits Business Partner prior to your leave start date.
- Unless hospitalized or incapacitated you are responsible for speaking with your Prudential Claim Manager and Benefits Business Partner.
- You must respond to inquiries from your Prudential Claims Manager and Benefits Business Partner within three business days.

- You are required to inform/update Prudential, your manager, and your Benefits Business Partner of any changes to your leave duration and return to work plans.
- You are required to work with your medical provider to submit to Prudential supportive medical records, 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 STD leave.

### **Medical Certifications**

Before your leave request is granted, medical certification is required from your own health care provider. For consideration of paid leave, the Prudential Attending Physician statement is required. For paid STD, 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. For unpaid STD, Microsoft may require an evaluation by a provider of its choice, and, if that evaluation conflicts with your provider's evaluation, a third, "tie breaker" evaluation. You may be granted unpaid or 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 your Benefits Business Partner. 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. Please note that after 12 weeks of paid STD leave you may be required to present more comprehensive medical records to determine whether you continue to meet the definition of disability.

### **When STD Pay Begins**

You are eligible to apply for paid STD on or after your date of hire and after you have met 8 hours of continuous leave in one week. After you apply for STD leave, Prudential will determine if you meet the paid STD criteria. You will be placed on unpaid leave pending receipt and review of all medical information necessary for a decision on initial or continued STD pay. Upon approval, STD pay begins on your first day of leave. If your medical condition allows you to continue working a partial (reduced or intermittent) work schedule, and you apply for a partial STD leave, you will need to be off work for 8 continuous hours in one week to apply for paid STD. STD pay, if approved, will then begin on your first day of leave.

### **Calculation of Leave Time and Pay**

Leave time and (if applicable) leave pay will be calculated based on the number of weeks that you are on leave, for up to a total of 26 weeks. For full-time employees taking leave on an intermittent or reduced basis, leave time will be counted by the hour assuming a 40-hour work week, up to a maximum of 1040 hours of leave time. For employees on a part-time schedule prior to requesting intermittent or reduced leave, leave time and pay will be prorated based on the recognized part-time schedule prior to the leave request. (Example: For an employee on an 80% part-time schedule prior to requesting leave, STD leave will be calculated assuming a 32-hour workweek, for a maximum of 832 hours.)

Employees approved for paid leave receive 100% of base pay for up to 8 weeks followed by 75% of base pay for up to 18 weeks while on leave, except for periods they choose to substitute with paid vacation (hourly/non-exempt employees only), floating holiday (hourly/non-exempt employees only) or Holistic Health Time Off (HHTO). Base pay reflects current salary (or base hourly pay for hourly employees) 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.

### **Part-Time STD Leave/ Part-Time Return to Work**

If your situation 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 or intermittent basis. 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 the employee to an alternative position that better accommodates the intermittent or reduced schedule. Benefits (pay and amount of leave time) for paid STD leave will be prorated for employees working on partial STD leave. Proration will be based on the employee's reduced schedule at the time leave is requested. If Microsoft determines that you are not capable of working full time after 26 weeks of STD leave, you will be eligible to apply for long term disability benefits. Please contact your Prudential Claims Manager and Benefits Business Partner for information regarding Long Term Disability or visit the LTD site for more information.

### **Treatment Outside the United States**

If you choose to seek treatment out of the country, you must provide your Prudential Claims Manager and Benefits Business Partner 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 and Benefits Business Partner 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.

### **Coordination with Holistic Health Time Off and accrued Vacation (hourly/non-exempt employees only)**

If you apply for paid STD, pay will not commence until you have been approved for paid STD leave. During the claim review process, you may apply available HHTO, accrued vacation (hourly/non-exempt employees only) or floating holidays (hourly/non-exempt employees only) to be paid out at 100% until Prudential makes their determination. Likewise, you may apply available HHTO, vacation (hourly/non-exempt employees only) or floating holidays (hourly/non-exempt employees only) to be paid out at 100% if, at any point, you are on unpaid leave or if you would like to replace 75% STD pay with that time. **Please do not enter this time into TAR but instead reach out to your Benefits Business Partner for assistance.**

You will be placed on unpaid leave pending review of your application, except to the extent you opt to substitute HHTO, accrued vacation (hourly/non-exempt employees only) or floating holidays (hourly/non-exempt employees only). See below for substitution rules. When and if you are approved for paid STD, pay will be retroactive to the first date approved. You will also be placed on unpaid STD for any period of leave that requires additional evaluation or recertification to determine continued eligibility for paid STD, however, STD pay will be granted retroactively to cover approved time that may have previously been unpaid.

**Example:** You apply for eight weeks of leave, and you are approved as “paid” for the first four weeks. You will be placed on “unpaid” leave after the first four weeks until a determination of eligibility for the last four weeks is made by Prudential. If you are then approved for paid STD for the last four weeks, pay will be retroactive to the first date of unpaid leave, except to the extent you have chosen to substitute available HHTO or granted vacation or floating holidays (hourly/non-exempt employees only) for that time.

Eligible employees are encouraged to apply for paid STD leave as soon as they become aware of a 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. Prudential’s receipt of your telephone call to report your leave and subsequent supportive medical documents as early as possible will expedite review of your application and may enable you to avoid or minimize periods of unpaid STD leave.

The use of HHTO is optional during paid or unpaid STD leave. You may also, but are not required to, use available floating holidays and/or granted vacation (hourly/non-exempt employees only) during any portion of a STD leave that would otherwise be unpaid. Discretionary Time Off (DTO) may not be used to compensate salaried employees for unpaid leaves of absence. Any HHTO, floating holiday (hourly/non-exempt employees only), or vacation (hourly/non-exempt employees only) that is substituted for STD leave will (i) run concurrently with STD leave, (ii) is treated as substitutes for all or part of a STD leave, not as additions or augmentations to STD leave or STD pay, (iii) does not extend the 12-week period described in “Re-employment” section of this policy, and (iv) does not extend the amount of Short-Term Disability Leave available. If you are a Microsoft employee working in Washington State, the use of HHTO, floating holidays (hourly/non-exempt employees) and/or vacation (hourly/non-exempt employees) may be impacted.

\*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”, you will continue on the original STD leave 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 reserves 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 Benefits**

Health care benefit coverage will remain in effect for the duration of an approved STD leave. Participation in the 401(k) plan continues while on paid STD leave. Hourly employees: Vacation is not accrued while on a paid or unpaid STD leave except for periods when accrued vacation leave is being substituted for the STD leave. Vacation will be accrued in full while an employee is working on paid or unpaid partial (reduced or intermittent) STD leave.

### **Effect of Leave(s) Upon Stock Vesting and ESPP**

While you are on your approved Paid or Unpaid STD Leave under this policy, there is no impact to stock vesting. For detailed information on leaves and vesting, please refer to the [Stock award and stock option vesting policies for leaves of absence and part-time employment](#).

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 paid STD leave you will be paid at the disability rate on these holidays. The disability rate is 100% during weeks 1-8 of leave and 75% during weeks 9-26 of leave. If you are on unpaid leave following 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 of absence 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 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 more than 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 awarded) 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 in the Microsoft Leave of Absence Tool at least 15 calendar days prior to the start date of your STD leave. For paid STD leave, you must also call Prudential immediately to provide information to initiate your STD claim. 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 under state law. Medical documentation is necessary to determine initial and on-going eligibility. If it is not feasible to submit the medical documentation in this 15-day timeframe, it must be submitted within 15 days of your leave commencing. If the required medical certification form (*Microsoft Physician Statement – Application for Unpaid STD* or the *Prudential Attending Physician's Statement – Application for Paid STD*) 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 15 days of the date your leave commenced, or in situations where the employee has been approved for paid STD leave but fails to submit updated documentation by a date requested by Prudential, Microsoft 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 STD leave will be counted toward the maximum 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 STD 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 WILL 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 your Benefits Business Partner 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 paid STD leave benefits. Failure to report such moonlighting activity as required may disqualify you from receiving STD leave benefits.

### **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 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 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 to be offered 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**

Employees may commence full-time STD leave on or after the scheduled notification date for a job elimination impacting their role, provided they meet eligibility requirements; however, any leave 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](mailto:benefits@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 unpaid leave. Upon return from the unpaid leave, Payroll will make deductions from your paycheck to account for payment of premiums and taxes for the duration of your unpaid leave.

#### **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 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 pay.

**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 pay and discipline, up to and including termination. The company retains the

right to recoup any payments made to you in error. Microsoft reserves the right to deny benefits for an employee who has been convicted of a crime and/or is incarcerated.

If you are an employee residing in states 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 paid STD Leave or payment of STD Leave benefits 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 [AskHR@microsoft.com](mailto:AskHR@microsoft.com), who will connect you with the Benefits Business Partner who supports your organization.

## Will I have both a Benefits Business Partner from Microsoft as well as a Claims Manager from Prudential for the management of my paid STD leave?

For paid STD leave, your Prudential Disability Claims Manager (DCM) will be your main point of contact throughout your paid leave. However, you will also have a Microsoft Benefits Business Partner and are required to keep them informed of any changes to your leave until the time you return to work.

## How do I submit my paid STD application to Prudential?

To apply for a paid leave of absence please visit the Short Term Disability Leave of Absence site and click on "Leave of Absence Tool". Review the automated email notification you receive from LOAadmin@microsoft.com for instructions prior to contacting Prudential. Call Prudential at 1-877-673-8562 and provide the information required to begin the review process.

## How do I contact my Prudential Claims Manager (DCM) to discuss my paid STD leave status?

You may contact Prudential at 1-877-673-8562 (MSFTLOA) to receive a status update. However, once Prudential receives the completed Attending Physician Statement, a Prudential Disability Claims Manager will review your claim, generally make a decision within 5 to 7 business days and contact you at that time.

## I am pregnant and want to apply for STD leave 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 paid STD leave?

Provided you meet policy provisions, you may be eligible for unpaid STD leave if you are ineligible for paid STD leave. Your Microsoft Benefits Business Partner will manage your unpaid STD leave.

If you disagree with the decision Prudential has made regarding your paid short-term disability 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, sufficient information to 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 continue to receive your STD pay through Microsoft's direct deposit payroll process as you do today.

### **If I am a part-time employee, how does my reduced work schedule impact the 26 weeks (or 1040 hours) of STD Benefit?**

Pay and time off eligibility for paid STD leave will be prorated based on your part-time schedule at the beginning of your leave. For example, if you work 75% of full-time, 720 hours of paid STD pay would be available in a rolling calendar year for an STD leave, but those hours would be based on a 30-hour workweek. STD would be paid at 100% of your part-time base salary for 8 weeks, then 75% of your part-time base salary for the remainder of your STD leave.

### **Can I request to use my HHTO, accrued vacation time or floating holidays while on unpaid STD or in lieu of STD pay?**

Yes. However, any HHTO, vacation time (hourly/non-exempt employees only) or floating holidays (hourly/non-exempt employees only) that is substituted for STD leave will (i) run concurrently with short term disability leave, (ii) are treated as substitutions for all or part of an STD leave, not as additions or augmentation to STD leave or STD pay, and (iii) will not extend the total amount of STD leave available. Please contact your Benefits Business Partner to request the use of your available time away options while on leave. DTO may not be used to compensate salaried employees for unpaid leaves of absence.

### **If my STD leave spans from one calendar year to the next, will I receive 80 hours of HHTO at the start of the new calendar year, and can they be used during my STD leave?**

If your leave carries over into the new calendar year, you may elect to use your new allotment of 80 hours of HHTO in lieu of receiving short term disability pay, if applicable. Any HHTO that is substituted for STD leave will run concurrently with short term disability leave. HHTO is treated as substitutions for all or part of an STD leave, not as additions or augmentation to STD leave or STD pay and using HHTO will not extend the total amount of STD leave available. Please contact your Benefits Business Partner to request the use of HHTO while on leave.

### **How does a leave of absence affect my Time-Off Balances?**

Due to system constraints, your Time Away balances may be reflected inaccurately in company records while you are on leave. If, during your STD leave, you need up-to-date information about your Time Away balances, please contact AskHR.

### **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 using the resources below:

For reference material for RBI/ UBI and pay and /or impacts of LOA, please contact [askcomp@microsoft.com](mailto:askcomp@microsoft.com)

### **As a salaried employee, will the amount of my paycheck fluctuate while on paid STD leave?**

Yes, during a paid short term disability leave, you will receive 100% of your base salary for up to 8 weeks. The remainder of your STD leave will be paid at 75% of your base pay. This will be calculated based on the number of regular workdays (or hours) that you are on leave, for up to a total of 26 weeks (1040 regular work hours). As the number of days may change per pay period, your paycheck amount may vary as well.

### **If I am an hourly employee, how do I report my time while out on STD leave?**

While out on Short Term Disability 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 Payroll to pay at the disability rate while you are on a leave.

### **Am I able to check my e-mail or work while out 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 your Microsoft Benefits Business Partner.

### **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 1<sup>st</sup>.

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

If you are on a paid leave of absence, your giving-related payroll deductions will continue as you intended during your leave. Please note that if the combined total of all giving-related payroll deductions scheduled for a pay period exceeds the total gross wages in your paycheck, no deductions will be taken from your paycheck and the scheduled transaction(s) for that paycheck is deleted from the Giving Portal.

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

### **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.