

Microsoft Employees Will No Longer Have to Earn Vacation Days Thanks to This New Policy

Microsoft is starting the new year with a generous new policy for its U.S. employees.

Stephen Brashear | Getty Images

Microsoft Headquarters in Redmond, Washington

Starting January 16, Microsoft is implementing a “Discretionary Time Off” policy, which gives employees

unlimited time off without needing to accrue vacation days. Any employees who currently have unused PTO days will get a one-time payout in April.

“How, when and where we do our jobs has dramatically changed,” Kathleen Hogan, Microsoft’s chief people officer, wrote in a memo obtained by The Verge. “And as we’ve transformed, modernizing our vacation policy to a more flexible model was a natural next step.”

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The policy only applies to salaried employees in the U.S. and excludes overseas workers and hourly employees. Microsoft says it’s difficult to offer unlimited time off to hourly and foreign workers due to differing laws and regulations, according to The Verge.

The new policy comes as more companies have adopted flexible work schedules following the pandemic. When lockdowns rocked workplace norms irrevocably, what followed was The Great Resignation, where large numbers of workers left jobs in search of a more balanced lifestyle. As employees set new standards, companies have revved up perks and benefits to attract and retain talent in a tight labor market where many individuals seek more than just a paycheck – and unlimited time off is not a bad place to start.

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