

Frequently asked questions (FAQ) about Discretionary Time Off (DTO)

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This FAQ is to support [Discretionary Time Off \(DTO\)](#).

In addition to DTO, Microsoft will continue to offer [Microsoft Annual Company Holidays](#), [Holistic Health Time Off](#) (HHTO, formerly sick and mental health time off), [Jury Duty](#), [Bereavement Leave](#), and Microsoft's [Leave of Absence](#) programs.

Quick reference guide to DTO

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General questions about DTO

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✓ What is DTO?

Discretionary Time Off, or DTO, is a modern approach to time away that gives eligible employees more flexibility to take time off when they need it. With DTO, employees do not accrue time off. Instead, they can take the time they need when they need it for such things as vacation, staycation, volunteerism, and recreation without worrying about whether they've accrued enough vacation or exceeded a maximum amount of vacation allowed per year.

Essentially, DTO may be used for any reason not covered by Microsoft's [Leave of Absence](#) (LOA) programs or other time away offerings, including [Holistic Health Time Off](#)

(HHTO; formerly sick and mental health time off), [Jury Duty](#), and [Bereavement Leave](#). Because DTO eliminates the need to accrue a fixed With DTO, U.S. benefits-eligible salaried/exempt employees don't accrue vacation time; rather, employees may take DTO throughout the year to best meet their work/life needs. Eligible employees don't formally record vacation time.

✓ **Why does Microsoft offer DTO instead of a traditional vacation accrual policy?**

We are always working to improve the employee experience at Microsoft. The importance of flexibility and work/life balance is crucial to support employee wellbeing and attract and retain talent. As we've transformed the way we work, we also felt it important to modernize our vacation policy to a more flexible model. Many tech organizations, including LinkedIn, Netflix, Salesforce, Symantec, Adobe, VMware, NVIDIA and others, have embraced programs like DTO. We believe DTO is a good fit as it reflects our values of trust and accountability and builds upon the culture of flexibility we've created.

We understand that our employees have demands and interests beyond work, and we trust that they will be responsible for making sure their tasks and projects still get done and get done well regardless of the time they take away from the office. We ask that the investment we are making be mutual. In return for flexibility, we expect our employees to invest in our mission so our organization can thrive, our customers are supported, and colleagues can balance their lives, too.

Discretionary Time Off (DTO) eligibility

[Collapse all](#)

✓ **Who is and is not eligible for DTO?**

U.S. benefits-eligible salaried/exempt full-time and part-time employees are all eligible for DTO. Hourly non-exempt employees, interns, visiting researchers and visiting artists, and contingent staff are not eligible for DTO. Employees of Microsoft minimally integrated acquisitions are not eligible since they have separate benefits, including time away and vacation policies.

✓ **Why aren't hourly/non-exempt U.S. benefits-eligible employees eligible for DTO?**

The requirements of Federal and state wage and hour laws make adopting untracked DTO prohibitively difficult for our non-exempt employees because employers must pay hourly/non-exempt employees for all hours worked, including overtime for certain hours worked as well as vacation and sick leave. This ensures that they are compensated appropriately. DTO, which is not tracked, would prevent us from appropriately compensating these employees as required. Note that the companies we benchmarked against take a similar view.

That said, Microsoft offers best-in-class benefits to all employees and will continue to ensure the value proposition for hourly/non-exempt employees is exceptional by offering generous time away benefits to help them rest and recharge.

✓ What other time-off programs are available to U.S. employees in addition to DTO?

In addition to DTO, Microsoft offers [Holistic Health Time Off](#) (HHTO, formerly sick and mental health time off), [Jury Duty](#), and [Bereavement Leave](#). Microsoft's [Leave of Absence](#) programs remain the same, including the benefits provided for short- and long-term disability. Visit the [Time Away Guide](#) for a full list.

✓ Will DTO be introduced globally?

No, not at this time. We will continue to benchmark local practices where possible, but many local country laws and regulations are not conducive to a DTO program. Many countries outside the US have employment law that requires companies to provide a minimum number of vacation days. Microsoft would be non-compliant if we were to introduce DTO where this legal minimum requirement is in place. Most large, global companies that have DTO in the U.S. have not implemented it in international locations for these reasons.

✓ Are employees of Microsoft minimally integrated companies, such as Gaming Studios, eligible for DTO?

No, if an acquired company is not fully integrated, then those employees remain on their own separate benefits including vacation and other time-away programs.

✓ Are new hires eligible for DTO?

Yes, U.S. benefits-eligible salaried exempt employees are eligible for DTO upon hire.

✓ What happens if I transfer from a salaried to an hourly role?

If you move from a salaried to an hourly role, at the time of transfer, you will begin to accrue vacation according to your years of service and the applicable Retail or Corporate hourly policy will apply. The Holistic Health Time Off and Floating Holiday Programs for hourly/non-exempt employees will apply to you. [Please review the DTO policy for more details.](#)

Impact on Annual Rewards, promotions, bonuses, and sales roles

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✓ Will taking time on DTO negatively impact Annual Rewards?

No, time on DTO is considered [Bonus eligible salary](#) for Annual Rewards. At fiscal year-end, managers will assess your impact for active time worked for Annual Rewards.

Will my manager consider the amount of vacation time/Discretionary Time Off (DTO) I took when determining impact for annual awards or for talent decisions such

✓ as promotions?

We all need time away from work to recharge, and the opportunity to take time off is part of the great benefits Microsoft provides. Expectations for impact should reflect this need for time away to refresh and recharge.

The amount of DTO you take should not be a factor for determining rewards or talent decisions. As a reminder, you are expected to deliver successful impact as you take advantage of DTO, and you must obtain advanced approval from your manager before taking DTO. You and your manager are expected to align on when the time off will be taken and how core business functions will be covered, managed, and achieved during any DTO.

✓ I'm on a WWIC utilization-based incentives (UBI) plan - how does DTO affect target setting?

Please reach out to your direct manager for assistance. Learn more about your plan at: [ICguide](#).

Using DTO

[Collapse all](#)

✓ Is there a limit on how much DTO I can take annually or at one time?

There is no cap or limit to the amount of DTO that employees are permitted to take. As with the current vacation policy, all requests for time off require manager approval to ensure business continuity and appropriate team coverage.

Note, DTO requests for 4 or more consecutive weeks off require review by the direct manager plus approval at the GM level or above. With direct manager support of the request, the manager will forward it for further GM+ review on their direct report's behalf.

If you or your manager is unsure of your organization's structure and want to know who the GM or above level of approver will be, visit [Who+ | People Search \(microsoft.com\)](#) and search on your name to find your organization's hierarchy. GM+ includes titles such as Partner and CVP.

✓ Does DTO require manager approval?

DTO is subject to your manager's approval and in accordance with the business needs of your organization/team.

You're required to obtain advanced approval from your manager before you take DTO. To take time off, discuss scheduling and your time-off needs with your manager. You and your manager should work together to:

- Confirm the request falls under the DTO policy versus a leave of absence or other time away option.

- Determine the capability of the team to successfully meet its assigned deliverables.
- Ensure appropriate coverage in the business cycle, taking into account other team members' requests for time off.
- Assess your ability to meet your work commitments and duties.
- Use best practices to document and notify teammates and relevant stakeholders of the dates they will be taking DTO using calendar invites, Outlook signatures, Teams status updates or other communication methods.

Both you and your manager have a responsibility to ensure that there is a clear understanding of when the time off will be taken and that core business functions are covered, managed, and achieved during any DTO.

Lastly, it's important to remember that DTO cannot be used for reasons covered by Microsoft's [Leave of Absence \(LOA\) programs](#) or other Time Away offerings, including [Holistic Health Time Off](#) (formerly sick and mental health time off), [Jury Duty](#), and [Bereavement Leave](#).

✓ **What if I want to take more than four weeks of DTO continuously, what is the approval process?**

DTO requests for four or more consecutive weeks off require review by the direct manager plus approval at the GM level or above. GM+ includes titles such as Partner and CVP. With direct manager support of the request, the manager will forward requests for four or more consecutive weeks for further GM+ approval on their direct report's behalf. GM+ employees seeking DTO for any length of time will go to their direct manager for approval.

✓ **My manager is currently gone on DTO. How do I get approval for DTO I want to take?**

If your manager is out, and you did not get DTO approval in advance of their absence, you should seek skip-level approval.

✓ **Do I track my DTO time via TAR?**

No. However, to create clarity for your team and your manager, discuss with your manager the best approach for documenting your days off. For example, you can log your out-of-office time with your manager, team, and stakeholders via an Outlook calendar request (non-blocking), in Teams status, or a designated team calendar. Always set an Outlook auto-reply message.

✓ **Can I use DTO for learning or training purposes?**

Learning is core to our culture at Microsoft. Much of the learning or training you do will be business related, and it's not necessary to take DTO. However, if you are taking time away for learning or training that is not business related, you can use DTO as long as you have obtained manager approval.

✓ **Can I use DTO if I'm sick?**

No, if you are sick, you should use and log your Holistic Health Time Off in [TAR](#) and take the time you need to recover. If you have a more serious illness or suffer an injury that requires

extended time away, we offer paid short-term and long-term disability. If you need to care for a seriously ill family member, we offer paid family caregiver leave. For more information on our sick leave and leave of absence programs, please see the [Time away guide](#). DTO can not be used for absences related to an employee's illness or injury, medical appointments and/or procedures.

✓ **Can I use DTO for volunteerism?**

DTO may be used for volunteering. Your time away for volunteering is subject to manager approval. We encourage all employees to participate in year-round giving through volunteerism. If you volunteer during your personal time or while on approved DTO and all other volunteer match eligibility criteria is met, the time you spend volunteering is eligible for Microsoft's \$25/hour cash match. All employees are eligible to match up to a maximum of \$15,000 per year by way of donations and/or volunteering per calendar year. Learn more at [GIVE](#).

✓ **Can DTO be used before or after a leave of absence, e.g., parental, maternity, etc.?**

The use of DTO prior to a leave of absence or following a leave of absence is subject to manager pre-approval, consistent with the purpose of DTO (to enjoy rest, recreation, and volunteerism). There is no limit or cap on how much time you can take annually. DTO requests for 4 or more consecutive weeks off require review by the direct manager plus approval at the GM level or above. GM+ includes titles such as Partner and CVP. With direct manager support of the request, the manager will forward it for further GM+ review on their direct report's behalf.

✓ **Can I use DTO to cover the period of time I am stuck outside of the U.S. because of U.S. visa stamping delays at the U.S. Embassy/Consulate after I apply for a U.S. visa stamp?**

If your manager authorized you to take DTO for a specific amount of time, and you will exceed that period of time because you are stuck outside of the U.S. due to visa stamping issues or delays at the U.S. Embassy/Consulate after you apply for a U.S. visa stamp, please create a case with AskHR. You will be connected with a Benefits Business Partner to work with you on your leave of absence options.

Learn more: [Microsoft Global Mobility Payroll and Tax Compliance Policy](#).

✓ **I have exhausted my allocated leave of absence or HHTO (e.g., 12 weeks of Family Caregiver Leave, 26 weeks of Short-Term Disability, 80 hours of HHTO, etc.) but would like to extend my time away. Can I seek approval of DTO to continue it?**

Even when you have used all of your leave of absence or HHTO time available to you, DTO is not a substitution to extend paid time-away for that leave purpose. If you're seeking continued time away related to your leave or HHTO absence, please create a case with AskHR and ask to be connected with your Benefits Business Partner, who will discuss any available time off and/or accommodation options with you.

✓ **Is DTO intended to be a sabbatical?**

No, DTO is not intended to be used as a sabbatical. You and your manager can work to schedule your DTO time. DTO requests for 4 or more consecutive weeks off require review by the direct manager plus approval at the GM level or above. GM+ includes titles such as Partner and CVP. With direct manager support of the request, the manager will forward it for further GM+ review on their direct report's behalf.

✓ **Can I use DTO to regularly work a different schedule?**

No. DTO is designed to support time off for vacation, staycation and volunteering time, but not an ongoing change to your way of working. [Flexible work @ Microsoft](#) is committed to exploring new ways of working that support individual workstyles, while balancing business needs and ensuring we live our culture. If you are interested in working a different schedule or fewer hours per week, we encourage you to have a 1:1 with your manager about how you work best, align to your team agreements, and request any changes to your workplace designations as needed in [Employee Central](#).

If you are working outside of your primary work location, learn more: [Hybrid Workplace Flexibility Payroll and Tax Guidance](#)

✓ **I'm concerned my manager won't approve my DTO requests.**

DTO requests must always consider business needs and resource planning. While managers will do their best to accommodate requests, there are times when business continuity will take precedence and DTO may not be approved. However, when this occurs, we will look to our managers and employees to work together to schedule DTO for an alternative timeframe when the DTO request can be supported.

One way that you can help is by making a habit of early planning. Talk with your manager well in advance of your DTO request for approval and then get it on the calendar.

You may reach out to [AskHR](#) for additional support by using search phrase 'manager approval' and then select 'create AskHR case'.

✓ **Will my manager consider other factors when reviewing DTO requests?**

A manager's decision whether to approve a DTO request will be based on business continuity needs and productivity requirements of the team. Business needs include your ability to complete work with near-term deadlines or department priorities. Your manager should not set their own "caps" or "limits" for DTO. DTO already taken, length of service, or level will not affect whether DTO requests are approved. However, managers will consider team coverage and overlapping DTO requests. We have provided guidelines and resources for managers to support effective discussion about and use of DTO within their teams.

✓ **How do I know how much time I can take in a year under a policy with such ambiguity? Or is this just a strategy to get employees to take less time?**

The DTO policy is not an attempt to have our employees take less time. On the contrary, we know that without vacation time, your health, happiness, and imagination suffer, leading to burnout, poor engagement, and a lack of innovation. You understand the demands of your role better than anybody, and we trust that you will have proactive conversations with your

manager and make responsible decisions about when you want to take time off. DTO will allow you to schedule time off more strategically based on team needs, business continuity, and your workload.

The [DTO policy](#) treats employees as individuals and gives them the freedom to adapt their time off to their circumstances. Time off is a personal matter—ask five people how much time off they need, and you'll get five different answers. Work styles and personal lives differ, both from person to person and from year to year. These differences impact the amount of time off people need in order to lead healthy, productive lives.

Many companies have already moved to this type of modern time away policy, and studies show that employees took roughly the same number of vacation days under a DTO policy or just slightly more as they did under the more traditional accrued time-off system.

We encourage all our employees to take the time they need to rejuvenate.

✓ **Will I receive a payout of DTO if I leave the company or transfer to another Microsoft subsidiary?**

No. Under the DTO policy, there is no accrual of time off and no entitlement to a specific number of days off per year. This means that no vacation balance will be reflected on your paystub or in a time tracking tool.

Accrued, unused vacation time will be cashed out only in the following situations, per local policy and legal requirements:

- If you transfer from an International Microsoft subsidiary to the United States
- If you were an hourly/non-exempt employee and were recently moved into a salaried/exempt position, you will stop accruing vacation time and will be eligible for DTO upon transfer. Your unused, accrued vacation balance, if any, will be paid out.

✓ **I am leaving Microsoft. Can DTO be used to extend my termination date?**

No, DTO cannot be used to extend employment prior to an employee's termination date.

✓ **How can I best support this change?**

Taking time off can directly affect your manager, colleagues, partners, and customers. Make it a practice of providing as much advance notice as you realistically can and any information, they need in order to operate without you.

Once a request is approved by your manager, agreeing on a coverage plan—including duties that need to be reassigned while you're gone and how you can be reached in case of emergency—will go a long way and be much appreciated.

To create clarity for your team and your manager, you should log your out-of-office time in Outlook calendars, in TEAMS status, and set Outlook auto-reply messages.

Sick leave/Holistic Health Time Off (HHTO)

✓ Why do I have to record my sick (HHTO) time?

Microsoft maintains a separate policy for sick and safe time purposes, as many states have sick and safe leave laws with specific requirements.

✓ What if I run out of HHTO and need additional time away?

If you run out of HHTO, you are still covered through our Leave of Absence options, even if you just require time away intermittently. Here are some examples:

[Short Term Disability](#) (STD) may be taken for an employee's own medical condition. STD pays at 100% of base pay for the first 8 weeks and 75% of base pay for the remaining 18 weeks. Beyond that, Long Term Disability benefits are available. No exhaustion or supplementing of HHTO/sick time is required. While STD can be taken on a full time, continuous basis, it can also be taken on a reduced schedule (e.g., 4 hours a day, etc.) or on an intermittent (e.g., 1 day a week, etc.) basis. So, if an employee only requires leave time on occasion, they can utilize this option.

[Family Caregiver Leave](#) may be taken to care for an ill family member. It pays at 100% of base pay for the first 4 weeks, and the last 8 weeks are unpaid. Employees in some states, such as WA, may also be eligible for additional pay during the unpaid portion of leave due to state law. These can be found on the [State Leave Notices](#). FCL can also be taken on a reduced schedule or intermittent basis.

For more information, visit the [Time Away Guide](#).

NOTE: DTO can not be used for absences related to an employee's illness or injury, medical appointments and/or procedures.

✓ Why don't we have unlimited HHTO, too?

Microsoft offers generous time away programs to cover an array of employee needs. If you have an illness or injury that requires extended time off, there are other leave of absence options available to support you. Refer to the [Time away guide](#) for more information about all your time away options.

✓ Can I use my DTO to cover any unpaid leave of absence?

You may not use DTO, but you can apply any [HHTO](#) to cover unpaid time.

Please contact Benefits@microsoft.com for more information on your specific situation.

Resources

- [DTO Policy](#)

- [DTO Employee Quick Guide](#)
- [Time Away Guide](#)



Did this content help you answer your question?