Managing Licenses in Microsoft Entra ID

Microsoft Entra ID is a licensed product that offers different features based on your license level. Understanding the various license editions and how to manage them effectively can help you maximize the benefits of Microsoft Entra ID.

Overview of Microsoft Entra ID License Editions

Microsoft Entra ID offers four editions:

- **Microsoft Entra ID Free Edition**

- **Microsoft Entra ID Premium P1**

- **Microsoft Entra ID Premium P2**

- **Microsoft Entra ID Governance**

Microsoft Entra ID Free Edition

The Free edition is automatically included with subscriptions to Microsoft cloud services such as Azure, Microsoft 365, or Dynamics 365. It provides essential identity and access management functionalities, including:

- User and group management

- On-premises directory synchronization

- Single sign-on (SSO)

- Multi-factor authentication (MFA) across Azure, Microsoft 365, and popular SaaS applications

- Role-based access control (RBAC)

- Basic security and usage reports

Microsoft Entra ID Premium P1

In addition to the features of the Free edition, the Premium P1 license adds advanced capabilities designed for hybrid environments and enhanced administration, such as:

- Hybrid user access management for both on-premises and cloud resources

- Dynamic groups

- Self-service group management

- Conditional Access policies

- Write-back capabilities that allow self-service password reset for on-premises users

Microsoft Entra ID Premium P2

Premium P2 includes all P1 features and adds enterprise-grade identity governance and security capabilities such as:

- Identity Protection (risk-based conditional access and threat detection)

- Privileged Identity Management (PIM) for controlling, monitoring, and managing privileged accounts

- Identity governance features, including entitlement management and access reviews

- Machine learning-based access certifications and anomaly detection

For a detailed comparison of features across editions, you can visit the official [Microsoft Entra ID pricing page](#).

How to Identify Your Current Microsoft Entra ID License

To check your current license edition:

1. Sign in to the Microsoft Entra ID portal.

2. Navigate to the **Overview** page.

3. Your license information is displayed there — for example, **Microsoft Entra ID Premium P2**.

You can also verify if a specific feature is included in your license by going to:

● **Licenses** > **License Features**
   This page lists all available features for your current plan.

Assigning Licenses in Microsoft Entra ID

Licenses can be assigned either to individual users or groups. Group-based license assignment is considered best practice as it simplifies license management.

Prerequisites:

● You must have the **License Administrator** role or equivalent permissions.

● Users must have a **Usage Location** specified before a license can be assigned, as this determines where Microsoft stores their data.

Steps to Assign a License to a User:

1. Go to **Licenses** > **All Products** in Microsoft Entra ID.

2. Select the license product you want to assign (e.g., Microsoft 365 E5 Developer).

3. Click **Assign**.

4. Add the user(s) you want to assign the license to.

5. Confirm the user's usage location is set. If not, assign the location by navigating to **Identities** > **All Users**, select the user, and set the usage location in their properties.

6. Optionally, customize the license assignment by selecting or deselecting specific services included in the license.

7. Click **Assign** to complete.

Assigning Licenses to a Group:

1. Follow the same process, but instead of selecting users, select the group name.

2. All members of the group will automatically inherit the license.

3. When a user leaves the group, the license is automatically revoked and becomes available again.

Important Considerations:

- Ensure sufficient licenses are available in your tenant for all group members.

- If conflicting services are assigned or licenses are insufficient, license assignment may fail.

- You can disable specific applications or services within a license without removing the entire license, useful when rolling out services gradually.