

Price increase for Microsoft 365 Commercial Suites Partner FAQs

Last Updated: January 23, 2026

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Resources

Microsoft 365 Price and Packaging Update Resources

- [Announcement Blog - Microsoft 365 Core](#)
- [Announcement Blog - Microsoft 365 Government](#)
- [Announcement Blog - Microsoft Intune](#)
- [Partner Guidance Deck](#)
- [Partner FAQ](#)
- [Partner Launch Kit](#)
- [Customer-Ready Pitch Deck – Enterprise](#)
- [Customer-Ready Pitch Deck – SMB](#)
- [Customer-Ready Pitch Deck – Frontline](#)
- [Customer-Ready Pitch Deck – Intune](#)
- [Customer Email Template](#)

General Resources

- [Microsoft 365 Small and Medium Size Business L100](#)
- [Secure AI Productivity L100](#)
- [Enable Frontline L100](#)
- [Security Copilot announcement](#)
- [Partner Hub](#)

Overview

Microsoft is announcing global price and packaging updates for commercial Microsoft 365 suites. Packaging updates will begin to roll out CY26 Q3. Customers will receive a 30-day notice in Message Center before the update becomes available in their tenant. Pricing updates will be effective July 1, 2026. This change reflects the significant innovation delivered over the last several years and the expanded value customers will gain with new additions to the suites, including major advancements in security and IT management.

The price increase applies to Office 365 E3, Microsoft 365 E3/E5, Business, Frontline, and standalones (EMS, Windows, etc.). Microsoft remains committed to transparency, continuous innovation, and supporting organizations as they adapt to new ways of working.

This update is designed to ensure Microsoft 365 continues to deliver robust, secure, and innovative solutions that empower organizations to thrive in a rapidly changing environment.

This update follows a significant but unrelated announcement: (1) the separation of Teams and no-Teams SKU. Learn more about the separation of Teams and no-Teams SKUs [here](#).

1. Why is Microsoft making these changes?

Microsoft is committed to delivering continuous innovation and value through Microsoft 365. Over the past several years, we've invested deeply in security, compliance, productivity, AI, and IT management— helping organizations stay productive, secure, and competitive in a rapidly evolving landscape. This change reflects the significant innovation delivered over the past several years and the added value customers will gain with new additions to the suites, including major advancements in AI (ex. Copilot Chat Agent Mode in WXOP, Copilot Chat Analytics), security (ex. Microsoft Defender for Office P1), and IT management (ex. Intune Suite).

2. When will the new pricing take effect for existing and new customers?

The new commercial pricing for Microsoft 365 suites and standalones will be effective starting July 1, 2026. This change applies to both new and renewing customers globally, with local market adjustments as appropriate. Existing customers will see the new prices at their next renewal after July 1, 2026.

3. Which Microsoft products are impacted by the price increase?

The price increase will apply to the following products:

- Office 365 E3 and E5
- Enterprise Mobility and Security (EMS) E3 and E5
- Windows E3 and E5
- Microsoft 365 E3 and E5
- Microsoft 365 Apps
- Microsoft 365 Business Basic, Business Standard, Apps for Business
- Microsoft 365 F1 and F3
- Microsoft 365 G3, Microsoft 365 G5
- Microsoft 365 GCC F1, Microsoft 365 GCC F3
- Office 365 G1, Office 365 G3

- Entra P1 and P2
- Per device SKUs: Windows Enterprise, Microsoft 365 Apps

4. Are there any changes to packaging or features as part of this price increase?

Alongside the price update, Microsoft is introducing additional security, storage, and AI capabilities. These enhancements are designed to strengthen security and simplify IT management.

New capabilities will begin to roll out CY26 Q3. Customers will receive a 30-day notice in Message Center before the update becomes available in their tenant. Roll out of the following features will be complete by August 1, 2026: Microsoft Defender for Office 365 Plan 1, Intune Remote Help, Intune Advanced Analytics, Intune Plan 2, Intune Privilege Management, Microsoft Cloud PKI, and Intune Application Management. See below for full packaging changes. Learn more about these features in our [Partner Guidance Deck](#).

Enterprise suites

| Rolling out summer 2026 | Feature additions |
|---------------------------------|--|
| Office 365 E1 | SafeLinks Lite, Copilot Chat enhancements*, Copilot Chat Analytics |
| Office 365 E1 Plus ¹ | SafeLinks Lite, Copilot Chat enhancements*, Copilot Chat Analytics |
| Office 365 E3 | MDO P1, Copilot Chat enhancements*, Copilot Chat Analytics |
| Office 365 E5 | Copilot Chat enhancements*, Copilot Chat Analytics |
| Microsoft 365 E3 | MDO P1, Intune Remote Help, Intune Advanced Analytics, Intune P2, Copilot Chat enhancements*, Copilot Chat Analytics |
| Microsoft 365 E5 | <i>In addition to M365 E3 additions:</i> Microsoft Security Copilot, Intune Endpoint Privilege Management, Microsoft Cloud PKI, Intune Enterprise Application Management |

Frontline suites

| Rolling out summer 2026 | Feature additions |
|-------------------------|--|
| Microsoft 365 F1 | Copilot Chat enhancements*, Copilot Chat Analytics |
| Microsoft 365 F3 | Copilot Chat enhancements*, Copilot Chat Analytics |

Business suites

| Rolling out summer 2026 | Feature additions |
|---------------------------------|---|
| Microsoft 365 Business Basic | +50GB email, SafeLinks Lite, Copilot Chat enhancements*, Copilot Chat Analytics |
| Microsoft 365 Business Standard | +50GB email, SafeLinks Lite, Copilot Chat enhancements*, Copilot Chat Analytics |
| Microsoft 365 Business Premium | +50GB email, Copilot Chat enhancements*, Copilot Chat Analytics |

Standalone Components

| Rolling out summer 2026 | Feature additions | Rolling out summer 2026 | Feature additions |
|---------------------------------|--|---------------------------------|---|
| Purview Suite | -- | Defender Suite | -- |
| Windows E3 | Quick Machine Recovery (QMR), post-quantum security APIs | Windows E5 | -- |
| Apps for Business | -- | Microsoft 365 Apps | -- |
| EMS E3 | Intune Remote Help, Intune Advanced Analytics, Intune P2 | EMS E5 | <i>Via EMS E3: Intune Remote Help, Intune Advanced Analytics, Intune P2</i> |
| Entra P1 | -- | Entra P2 | -- |
| Windows Enterprise (per device) | Basic resiliency features, Software Assurance | Microsoft 365 Apps (per device) | -- |

*Enhancements include context-aware intelligence and Agent Mode in Word, Excel, PowerPoint, and Outlook.

Note: Office 365 E1 Plus SKUs with and without Teams are available in CSP only in specific geographies

5. When will existing customers receive new packaging changes?

All qualifying SKUs will receive the new features as they roll out in 2026, regardless of the price paid or agreement term.

6. How much will the prices increase for each Microsoft 365 commercial product?

See table below. Note that all pricing subject to change and may vary by country and currency.

Enterprise suites

| Suites with Teams Effective July 1, 2026 | | | Suites without Teams Effective July 1, 2026 | | |
|---|----------|-------------------------------|--|----------|-------------------------------|
| SKU | % change | Old Price New Price | SKU | % change | Old Price New Price |
| Office 365 E1 | -- | \$10.00 | Office 365 E1 (no Teams) | -- | \$6.79 |
| Office 365 E1 Plus ¹ | -- | \$20.00 | Office 365 E1 Plus (no Teams) ¹ | -- | \$16.79 |
| Office 365 E3 | 13% | \$23.00 \$26.00 | Office 365 E3 (no Teams) | 14% | \$14.45 \$17.45 |
| Office 365 E5 | 8% | \$38.00 \$41.00 | Office 365 E5 (no Teams) | 10% | \$29.45 \$32.45 |
| Microsoft 365 E3 | 8% | \$36.00 \$39.00 | Microsoft 365 E3 (no Teams) | 11% | \$27.45 \$30.45 |
| Microsoft 365 E5 | 5% | \$57.00 \$60.00 | Microsoft 365 E5 (no Teams) | 6% | \$48.45 \$51.45 |

Frontline suites

| Suites with Teams Effective July 1, 2026 | | | Suites without Teams Effective July 1, 2026 | | |
|---|-----|------------------------------|--|-----|-----------------------------|
| Microsoft 365 F1 | 33% | \$2.25 \$3.00 | Microsoft 365 F1 (no Teams) | 43% | \$1.75 \$2.50 |
| Microsoft 365 F3 | 25% | \$8.00 \$10.00 | Microsoft 365 F3 (no Teams) | 29% | \$6.99 \$8.93 |

Business suites

| Suites with Teams Effective July 1, 2026 | | | Suites without Teams Effective July 1, 2026 | | |
|---|-----|-------------------------------|--|-----|------------------------------|
| Microsoft 365 Business Basic | 16% | \$6.00 \$7.00 | Microsoft 365 Business Basic (no Teams) | 23% | \$4.40 \$5.40 |
| Microsoft 365 Business Standard | 12% | \$12.50 \$14.00 | Microsoft 365 Business Standard (no Teams) | 16% | \$9.29 \$10.79 |
| Microsoft 365 Business Premium | -- | \$22.00 | Microsoft 365 Business Premium (no Teams) | -- | \$18.79 |

Standalone Components

| Effective July 1, 2026 | | | | | |
|---------------------------------|----------|-------------------------------|---------------------------------|----------|-------------------------------|
| SKU | % change | Old Price New Price | SKU | % change | Old Price New Price |
| Purview Suite | -- | \$12.00 | Defender Suite | -- | \$12.00 |
| Windows E3 | 15% | \$6.63 \$7.63 | Windows E5 | 9% | \$11.00 \$12.80 |
| Apps for Business | 21% | \$8.25 \$10 | Microsoft 365 Apps | 20% | \$12.00 \$14.00 |
| EMS E3 | 13% | \$10.00 \$12.00 | EMS E5 | 10% | \$16.40 \$18.00 |
| Entra P1 | 16% | \$6.00 \$7.00 | Entra P2 | 11% | \$9.00 \$10.00 |
| Windows Enterprise (per device) | 31% | \$5.04 \$7.63 | Microsoft 365 Apps (per device) | 17% | \$36.00 \$42.00 |

¹Office 365 E1 Plus SKUs with and without Teams are lead status SKUs available only in specific geographies.

7. Is the price increase related to new features?

The price increase reflects the overall value delivered across the suite, including new security, productivity, and management features— not just individual capabilities.

8. Will the price increase apply globally or only in specific regions?

The price increase applies globally, with local market adjustments in certain regions to reflect currency and market conditions.

9. Will these price increases be included in the CSP price list preview?

Yes, these price increases will be included in the CSP price list preview starting on June 1, 2026, which is one month before the price changes take effect.

Pricing and Customer Impact

10. Will the price increase affect both annual and monthly billing plans?

Yes, the new pricing will apply to both annual and monthly billing plans for all impacted commercial suites, effective at the next renewal after July 1, 2026.

11. Will customers on multi-year contracts see price changes before renewal?

Customers on existing multi-year agreements will continue at their current pricing until renewal. The new pricing will apply at the next renewal after July 1, 2026.

12. Will existing discounts or promotions be honored after the price increase?

Existing discounts and promotions will remain in effect for the duration of the current agreement. Upon renewal, new pricing and discount structures will apply.

13. How will the price increase affect existing customers at renewal?

For customers with renewals before July 1, 2026, they will be able to renew or upgrade to their chosen suite and lock in the current pricing (pre-price increase pricing) until their next renewal after July 1, 2026. For customers with renewals after July 1, 2026, existing customers will transition to the new pricing for their chosen suites at their next renewal date.

Note: Customers who choose to do a mid-term upgrade to M365 E3 or E5 3-yr SKUs will pull forward their subscription start date ([Learn article](#)).

14. What guidance does Microsoft have for partners to help customers manage the transition?

The guidance is to leverage this upcoming change to turn routine renewals into upsell moments for M365 Business + Copilot and M365 E3/E5, leveraging available promotions and pre-sales programs to help customers lock-in price savings ahead of price increases. Partners can review the [Partner Guidance Deck](#) and [Partner Launch Kit](#) to guide customers in understanding and managing the transition to new pricing on the [Partner Hub](#). Microsoft will be providing the updated pricing in the CSP price list preview on June 1, 2026.

15. Are there any new promotions or incentives to offset the price increase?

Partners can find the latest in-market CSP to-partner promotional offers for Microsoft 365 in the [Partner Guidance Deck](#) and in the [Partner Readiness Guide](#).

16. Are there any exceptions to the price increase (i.e., government, non-profit customers)?

- Consumer: There are no changes to consumer pricing at this time.
- Government: Refer to the Government section of this FAQ for details on Microsoft 365 Government pricing and packaging changes.
- Nonprofit: Nonprofit pricing will be adjusted in line with commercial pricing, as it is tied to commercial rates through a fixed percentage discount. For the impacted products, the nonprofit discount rate is 60-75%. See nonprofit pricing updates below. Note that all pricing subject to change and may vary by country and currency.

Enterprise suites

| Suites with Teams Effective July 1, 2026 | | |
|---|----------|-------------------------------|
| SKU | % change | Old Price — New Price |
| Office 365 E1 | -- | \$2.50 |
| Office 365 E3 | 13% | \$5.75 \$6.50 |
| Office 365 E5 | 8% | \$15.20 \$16.40 |
| Microsoft 365 E3 | 8% | \$9.00 \$9.75 |
| Microsoft 365 E5 | 5% | \$22.00 \$24.00 |

Frontline suites

| Suites with Teams Effective July 1, 2026 | | |
|---|----------|-----------------------------|
| SKU | % change | Old Price — New Price |
| Microsoft 365 F1 | 33% | \$0.56 \$0.75 |
| Microsoft 365 F3 | 25% | \$2.00 \$2.50 |

Business suites

| Suites with Teams Effective July 1, 2026 | | |
|---|----------|-----------------------------|
| SKU | % change | Old Price — New Price |
| Microsoft 365 Business Basic | N/A | Free |
| Microsoft 365 Business Standard | 17% | \$3.00 \$3.50 |
| Microsoft 365 Business Premium | -- | \$5.50 |

Standalone Components

| Effective July 1, 2026 | | | | | |
|---------------------------------|----------|------------------------------|---------------------------------|----------|-----------------------------|
| SKU | % change | Old Price — New Price | SKU | % change | Old Price — New Price |
| Purview Suite | -- | \$4.80 | Defender Suite | -- | \$4.80 |
| Windows E3 | 15% | \$1.65 \$1.90 | Windows E5 | 9% | \$4.40 \$5.12 |
| EMS E3 | 13% | \$2.65 \$3.00 | EMS E5 | 10% | \$6.56 \$7.20 |
| Entra P1 | 16% | \$1.50 \$1.75 | Entra P2 | 11% | \$3.60 \$4.00 |
| Microsoft 365 Apps | 20% | \$2.00 \$4.00 | Windows Enterprise (per device) | 31% | \$1.46 \$1.91 |
| Microsoft 365 Apps (per device) | 17% | \$9.00 \$10.50 | | | |

Licensing and Options

17. Will customers still have the option to purchase Microsoft 365 suites with or without Teams?

Yes, customers will continue to have the flexibility to choose Microsoft 365 suites with or without Teams, in alignment with regional regulations and customer needs. Refer to our recent announcement about Teams and no-Teams options [here](#).

18. Will the price update affect standalone Teams SKUs or Copilot SKUs?

No, the announced price update applies only to the SKUs listed below. It does not apply to standalone Microsoft Teams or Copilot SKUs. Any future changes to standalone Teams or Copilot SKUs will be communicated separately.

- Office 365 E3 and E5
- Enterprise Mobility and Security (EMS) E3 and E5
- Windows E3 and E5
- Microsoft 365 E3 and E5
- Microsoft 365 Apps
- Microsoft 365 Business Basic, Business Standard, Apps for Business
- Microsoft 365 F1 and F3
- Microsoft 365 G3, Microsoft 365 G5
- Microsoft 365 GCC F1, Microsoft 365 GCC F3
- Office 365 G1, Office 365 G3
- Entra P1 and P2
- Per-device SKUs: Windows Enterprise, Microsoft 365 Apps

Negotiation and Support

19. Will Microsoft provide additional resources to help customers understand the changes?

Yes, Microsoft has published an [external announcement blog](#) and updated resources to help customers understand and manage the transition to new pricing. See the linked customer-facing assets below and all partner and customer-facing assets on the [Partner Hub](#).

- [Customer-Ready Pitch Deck – Enterprise](#)
- [Customer-Ready Pitch Deck – SMB](#)
- [Customer-Ready Pitch Deck – Frontline](#)
- [Intune Customer-Ready Deck](#)
- [Customer Email Template](#)

Messaging

20. How does Microsoft 365's value change after the price increase?

At Microsoft, we are committed to empowering every organization to drive innovation while enabling users to remain productive, protected, and prepared for what's next. In addition to these foundational benefits, we are adding new capabilities to certain licenses alongside the price

update— such as advanced security features and enhanced management tools— further expanding the value customers receive.

To explore the full breadth of Microsoft 365's expanded value, we encourage you to review the partner and customer -facing resources aligned to this change, which outline Microsoft 365's value and the additional benefits announced in recent updates – check out the [Partner Launch Kit](#) and the [Partner Hub](#).

21. Why is Microsoft updating the price at this time?

The timing reflects ongoing product innovation. Microsoft continues to deliver more value and integration with 1,100+ new features shipped in the last year, helping customers reduce complexity and total cost of ownership.

22. Will Microsoft be updating prices again soon?

Microsoft regularly evaluates pricing based on the value delivered to customers. While this is the first broad update in several years, future changes may occur as new value is added.

23. How do I address customers who are not willing to pay the new price?

Highlight the ongoing and incremental value and innovation in Microsoft 365 – including major advancements in AI (ex. Copilot Chat Agent Mode in WXOP, Copilot Chat Analytics), security (Microsoft Defender for Office P1), and IT management (ex. Intune Suite) – and discuss options for optimizing suite selection and deployment.

Objection Handling

24. Why have there been so many different price-related changes recently?

Over the past year, Microsoft announced several unrelated changes to ensure fair, consistent, and value-based pricing.

- [Teams SKU separation](#): Suites with and without Teams are now priced with clear minimum differences, and Teams standalone offerings meet those thresholds— part of a legal commitment in Europe.
- [Microsoft 365 pricing and packaging update](#): Beginning July 1, 2026, global price increases will apply to Microsoft 365 suites, including Office 365, EMS, Windows Enterprise, Business, Frontline, Government, and security add-ons. This reflects significant innovation in security, compliance, productivity, AI, and IT management. Packaging updates will begin to roll out CY26 Q3. Customers will receive a 30-day notice in Message Center before the update becomes available in their tenant.

The Microsoft 365 pricing and packaging update is unrelated to the other price-related announcements from this past year.

25. How are we supposed to manage our budgets with all these adjustments?

We understand that pricing and packaging changes can impact budget planning. That's why these changes are being communicated in advance, with pricing updates effective July 1, 2026, and

packaging updates will begin to roll out CY26 Q3. Customers will receive a 30-day notice in Message Center before the update becomes available in their tenant. Existing agreements will continue at current pricing until renewal, giving customers time to plan and adjust budgets accordingly. Microsoft provides detailed resources, partner and customer support to help organizations understand the changes and optimize their suite selection and deployment.

26. Why is Microsoft raising prices for Microsoft 365, especially given the economic climate?

Microsoft's price adjustment reflects not only several years of significant innovation across security, compliance, productivity, AI, and IT management, but also the expanded value coming to Microsoft 365 suites in 2026. New features, including advanced security and IT management capabilities, will begin to roll out CY26 Q3. Customers will receive a 30-day notice in Message Center before the update becomes available in their tenant.

The goal is to ensure Microsoft 365 continues to deliver robust, secure, and innovative solutions that empower organizations to thrive in a rapidly changing environment. Microsoft remains committed to transparency and supporting organizations as they adapt to new ways of working. Price changes are modest, competitive, and communicated well in advance to help customers plan and manage budgets.

27. Why is Microsoft forcing AI on people and charging more for it?

While AI features are now included in many plans, organizations can restrict access to Copilot features for specific users if desired. This allows customers to tailor their deployment and ensure that only those who need AI capabilities have access, while still benefiting from the broader security and management improvements.

Microsoft is adding AI capabilities, such as Microsoft Security Copilot and Copilot Chat enhancements (e.g., Agent Mode in WXOP), into Microsoft 365 to help users work more efficiently and securely. In addition to AI, new security and management features are being added to Microsoft 365 suites. These enhancements are designed to strengthen protection, simplify IT management, and ensure that all productivity features— like Word, Excel, Teams, and Outlook— are even more secure for organizations.

28. Are these price increases because of AI specifically?

While Microsoft has added considerable AI value into the Microsoft 365 suites, the price adjustment reflects the overall value delivered across the suites, including new security, productivity, and management features— not just individual AI capabilities. Microsoft's pricing aims to align with the value delivered through these innovations, including but not limited to AI.

29. You added Microsoft Security Copilot to Microsoft 365 E5, then announced a price increase that will go into effect in six months. Sounds like you're locking us into new value then raising prices?

Microsoft regularly invests in new capabilities— such as Security Copilot, advanced security, and IT management features— to help organizations stay secure and productive. The timing of new feature rollouts and pricing updates reflects our commitment to continuous innovation and expanded value for customers. The upcoming price changes planned for July 1, 2026, are based on

the significant advancements delivered over the past several years, not just recent additions like Security Copilot.

Security Copilot is being included in Microsoft 365 E5 to strengthen the value proposition of our most comprehensive suite, ensuring customers have advanced AI-driven security capabilities built into existing tools like Microsoft Defender, Entra, Intune, and Purview. Customers will receive advance notice of changes, and Microsoft provides resources and support to help organizations plan for and manage their budgets effectively.

30. How will customers with impacted SKUs be notified of the price increases?

Customers are notified of price increases through notifications in their account portal and announcements on the [Microsoft 365 Blog](#). Microsoft aims to provide several months of advance notice before changes take effect, allowing customers time to review options and adjust budgets.

31. Are these increases aligned with inflation or driven by competitive pressures?

Microsoft regularly reviews pricing to ensure it reflects the value delivered and market conditions. This price adjustment reflects the overall value delivered across the suite, including new security, productivity, and management features. Microsoft's pricing aims to align with the value delivered through these innovations, including but not limited to AI.

32. Is Microsoft prioritizing profits over availability by raising prices for essential productivity tools?

Microsoft's pricing strategy aims to balance continued investment in innovation with availability. Discounted plans remain available for nonprofits and small businesses. The price increases reflect the expanded value and capabilities delivered.

33. Is this a signal that subscription pricing will continue to rise annually?

Microsoft regularly reviews pricing to ensure it reflects the value delivered and market conditions. The recent increases are the first broad updates in several years and customers receive advance notice before any change.

Information on Microsoft 365 Government

34. How will the pricing and packaging changes affect customers utilizing the [United States OneGov offer](#)?

All percentage discounts included in the OneGov offer remain intact, regardless of any list price changes. If a purchase occurs before July 1, 2026, the discount applies to the original list price. If customers purchase on or after July 1, 2026, the discount applies to the new list price. Customers will receive access to the new features associated with the packaging changes rolling out throughout 2026, whether they purchase products with or without the OneGov offer.

35. When does this price increase go into effect for Government customers?

All price increases for Microsoft 365 Government suites will begin on July 1, 2026. See details in the chart below. Prices below reflect Level D pricing.

| Commercial SKU | Government SKU | Old Price | Increase | New price | July 1, 2026 Price | July 1, 2027 Price | July 1, 2028 Price |
|--------------------------------|---------------------------|-----------|---------------|-----------|--------------------|--------------------|--------------------|
| Microsoft 365 E3 | Microsoft 365 G3 GCC | \$31.68 | \$2.64 (8%) | \$34.32 | \$34.32 | \$34.32 | \$34.32 |
| | Microsoft 365 G3 GCC High | \$41.18 | \$3.43 (8%) | \$44.62 | \$44.62 | \$44.62 | \$44.62 |
| | Microsoft 365 G3 DoD | \$41.18 | \$3.43 (8%) | \$44.62 | \$44.62 | \$44.62 | \$44.62 |
| Microsoft 365 E5 | Microsoft 365 G5 GCC | \$50.16 | \$2.64 (5%) | \$52.80 | \$52.80 | \$52.80 | \$52.80 |
| | Microsoft 365 G5 GCC High | \$65.21 | \$3.43 (5%) | \$68.64 | \$68.64 | \$68.64 | \$68.64 |
| | Microsoft 365 G5 DoD | \$65.21 | \$3.43 (5%) | \$68.64 | \$68.64 | \$68.64 | \$68.64 |
| Office 365 E1 | Office 365 G1 GCC | \$8.80 | -- | \$8.80 | \$8.80 | \$8.80 | \$8.80 |
| | Office 365 E1 GCC High | \$11.44 | -- | \$11.44 | \$11.44 | \$11.44 | \$11.44 |
| | Office 365 E1 DoD | \$11.44 | -- | \$11.44 | \$11.44 | \$11.44 | \$11.44 |
| Office 365 E3 | Office 365 G3 GCC | \$20.24 | \$2.64 (13%*) | \$22.88 | \$22.26 | \$22.88 | \$22.88 |
| | Office 365 E3 GCC High | \$26.31 | \$3.43 (13%*) | \$29.74 | \$28.94 | \$29.74 | \$29.74 |
| | Office 365 E3 DoD | \$26.31 | \$3.43 (13%*) | \$29.74 | \$28.94 | \$29.74 | \$29.74 |
| Microsoft 365 Business Premium | Business Premium GCC High | \$25.17 | -- | \$25.17 | \$25.17 | \$25.17 | \$25.17 |
| Microsoft 365 Frontline | Microsoft 365 F1 | \$1.92 | \$0.64 (33%*) | \$2.55 | \$2.11 | \$2.32 | \$2.55 |
| | Microsoft 365 F3 | \$6.83 | \$1.71 (25%*) | \$8.54 | \$7.51 | \$8.26 | \$8.54 |

*For suites with total increases of 10% or less, the adjustment will occur in a single step. In accordance with federal regulations, for suites with total increases exceeding 10%, the increase will be phased over multiple years, with no more than 10% applied annually until the full adjustment is complete.

36. For Government customers, are there any changes to packaging or features as part of this price increase?

Alongside the price update, Microsoft is introducing additional security and storage capabilities planned to roll out throughout 2026. This includes capabilities like Defender for Office, Intune Endpoint Privilege Management, and Intune Remote Help. These enhancements are designed to strengthen security and simplify IT management. See the table below for more details.

| Commercial SKU | Government SKU | Feature additions expected to be available 2026 |
|--------------------------------|---------------------------|---|
| Microsoft 365 E3 | Microsoft 365 G3 GCC | Intune Remote Help, Intune Advanced Analytics, MDO P1, Intune P2, Copilot Chat enhancements* |
| | Microsoft 365 G3 GCC High | Intune Advanced Analytics, MDO P1, Intune P2, Copilot Chat enhancements* |
| | Microsoft 365 G3 DoD | Intune Advanced Analytics, MDO P1, Intune P2, Copilot Chat enhancements* |
| Microsoft 365 E5 | Microsoft 365 G5 GCC | <i>In addition to Microsoft 365 G3 GCC additions:</i> Intune Endpoint Privilege Management, Intune Enterprise Application Management, Microsoft Cloud PKI, Copilot Chat enhancements* |
| | Microsoft 365 G5 GCC High | <i>In addition to Microsoft 365 G3 GCC High additions:</i> Intune Endpoint Privilege Management, Copilot Chat enhancements* |
| | Microsoft 365 G5 DoD | <i>In addition to Microsoft 365 G3 DoD additions:</i> Intune Endpoint Privilege Management, Copilot Chat enhancements* |
| Office 365 E1 | Office 365 G1 GCC | Safe Links Lite, Copilot Chat enhancements* |
| | Office 365 E1 GCC High | Safe Links Lite, Copilot Chat enhancements* |
| | Office 365 E1 DoD | Safe Links Lite, Copilot Chat enhancements* |
| Office 365 E3 | Office 365 G3 GCC | MDO P1, Copilot Chat enhancements* |
| | Office 365 E3 GCC High | MDO P1, Copilot Chat enhancements* |
| | Office 365 E3 DoD | MDO P1, Copilot Chat enhancements* |
| Microsoft 365 Business Premium | Business Premium GCC High | +50GB email, Copilot Chat enhancements* |
| Microsoft 365 Frontline | Microsoft 365 F1 | Copilot Chat enhancements*, Copilot Chat Analytics |
| | Microsoft 365 F3 | Copilot Chat enhancements*, Copilot Chat Analytics |

*Enhancements can be found on the [Microsoft 365 roadmap](#).

37. Why aren't Government customers getting the same new features as commercial customers in 2026?

Government cloud offerings are designed to meet unique regulatory, compliance, and security requirements that differ from commercial environments. These constraints mean that certain features require additional engineering, certification, and approval processes before they can be introduced in Government suites.

While commercial customers will see expanded access to capabilities like advanced security tools, productivity enhancements, and IT management features immediately, Government customers will continue to receive updates aligned with their compliance frameworks and roadmap. This helps ensure that features meet strict standards for data residency, FedRAMP, and other government-specific mandates.

Microsoft remains committed to delivering innovation across all clouds, and many of the same enhancements will be introduced to Government offerings over time, following the necessary validation steps.

38. Which cloud environments do these changes apply to?

These changes apply to GCC, GCC-High, Department of Defense (DoD), and National Cloud Operational Environment (NCOE). They do not apply to US AGC.

39. How will NCOE price updates differ from commercial Microsoft 365 Government price updates?

NCOE pricing will include a 10% uplift over commercial pricing. This means that when commercial Microsoft 365 Government prices are updated, NCOE prices will reflect the same changes plus the additional 10% adjustment.

Information on Windows Enterprise

40. What customers are affected by the Windows Enterprise per-device license?

While <5% of our installed base uses per-device license, these are important for certain customers with on-premises or remote offline scenarios. This license comes with Software Assurance for the device to help keep it secure and up to date.

41. What is the value of Windows Enterprise compared to Windows Pro?

Windows Enterprise securely extends the Windows platform into the cloud-connected world, with APIs and services to help monitor endpoints, proactively remediate any issues, and keep it up to date, reducing management burden and enhancing network protection. It powers productive experiences for employees right from the start, supporting hybrid working models and all types of workers with identity-based authentication and advanced accessibility features.

42. How do we explain the value of Windows E3/E5 after the increase?

Windows Enterprise continues to develop and release features designed to delight users while making it easier to manage at scale. In addition to IT-focused improvements, like Quick Machine Recovery (QMR), and post-quantum security APIs, Windows Enterprise includes:

- A new wave of AI and agentic features to improve interaction with the computer, like support for Microsoft 365 Copilot voice, Ask Microsoft 365 Copilot on the taskbar, Agents on the taskbar, and fluid dictation.
- AI-powered productivity enhancements, like Writing Assistance, Click To Do on Copilot+ PCs.
- Development opportunities with native Model Context Protocol and Windows 365 for Agents.

Please read the Ignite 2025 blogs for more information: [Windows News](#) and [Windows Blog](#).

Information on Microsoft Intune

43. When will existing customers receive new Intune capabilities?

New Intune features for eligible EMS E3, Microsoft 365 E3, and Microsoft 365 E5 tenants will begin to roll out CY26 Q3 and will be complete by August 1, 2026. Customers will receive a 30-day notice in Message Center before the update becomes available in their tenant. No customer action is required to receive these entitlements.

44. Will standalone Intune Suite and add-ons still be available after packaging changes roll out in 2026?

Yes. Standalone Intune Suite and add-ons will continue to be available for purchase and are appropriate for customers who do not require EMS E3, Microsoft 365 E3, or Microsoft 365 E5 plans.

45. Do existing customers need to take any action to receive the new Intune features?

No. Eligible customers will receive the new Intune features automatically. No opt-in or manual action is required.

46. How can I learn more about Intune-related changes related to this price adjustment?

Read the [Intune blog](#) to understand more about the changes to Intune offerings. Utilize the [Intune Customer-Ready Deck](#) to help communicate the Intune-specific changes related to this price adjustment.

Information on Security Copilot

47. What is Security Copilot and why is it being added to Microsoft 365 E5?

Microsoft Security Copilot is a generative and agentic AI-powered assistant for daily operations in security and IT that helps organizations detect, investigate, and respond to threats faster and more effectively. At Ignite 2025, we announced that agentic capabilities will be built directly into the workflows of security teams using Microsoft Defender, Entra, Intune, and Purview. These agents bring autonomous and proactive protection across security workflows, enabling faster response and reducing manual effort.

By including Security Copilot with Microsoft 365 E5, we're expanding the availability of these AI agents, so security teams can get started quickly and leverage integrated, intelligent defense across their existing tools.

48. When will Microsoft 365 E5 customers have access to Security Copilot?

Rollout began on November 18, 2025 for existing Security Copilot customers with Microsoft 365 E5 and will continue over the coming months for all Microsoft 365 E5 customers. Customers will receive 30-day advance notice before activation and should review the [documentation](#) to ensure proper deployment.

49. Will there be any Security Copilot capacity restrictions for Microsoft 365 E5 customers?

Yes. Microsoft 365 E5 customers will receive 400 Security Compute Units (SCUs) per month for every 1,000 paid user licenses, with a maximum of 10,000 SCUs per month. Allocation scales by seat count (e.g., 400 user licenses = 160 SCUs/month; 4,000 licenses = 1,600 SCUs/month). For more details, refer to the MS Learn [documentation](#).

50. How does Security Copilot complement other security features in Microsoft 365 E5?

Security Copilot is built into Microsoft Defender, Entra, Purview, and Intune — giving users easy access to agentic and generative AI capabilities across the Microsoft Security stack. Security Copilot agents support a wide range of use cases:

- SOC teams can simplify phishing triage and incident response with agents that classify alerts, summarize threats, and guide remediation.
- Identity teams can strengthen access controls and reduce risk with agents that optimize Conditional Access policies and automate access reviews.
- Data security teams can strengthen data protection and compliance with agents built to help triage alerts and discover sensitive data.
- IT teams can better maintain secure, compliant endpoints more easily, with agents that help with tasks like assessing changes before they impact productivity.
- For all other use cases, you can build custom Security Copilot agents, tailored to your organization's unique workflows.

51. How can I learn more about Security Copilot?

Read the announcement [here](#) and refer to MS Learn [documentation](#). Learn more about Security Copilot use cases in the [Adoption Hub](#).