



Microsoft 365 Price Increase

What is happening?

Microsoft has announced list price increases for customers utilizing the following Microsoft 365 and Office 365 Service Plans, effective on and after **March 1st, 2022**:

- Microsoft 365 Business Basic (increased 16%)
- Microsoft 365 Business Premium (increased 9%)
- Office 365 E1 (increased 20%)
- Office 365 E3 (increased 13%)
- Office 365 E5 (increased 8%)
- Microsoft 365 E3 (increased 12%)
- Microsoft Intune (increased 25%)
- Enterprise Mobility + Security E3 (increased 16.9%)
- Enterprise Mobility + Security E5 (increased 9.8%)

As a result of this, and in accordance with our standard terms and conditions, TPx will be increasing pricing on the above affected license subscriptions commensurate with the Microsoft increases. This will impact our customers who are contracted for MSx Managed Office 365 service and use the above subscriptions as well as existing and new customers who add these subscriptions to their service after March 1, 2022.

When will I be impacted by this pricing change?

While Microsoft will implement the price changes on March 1, 2022, the actual effective date for each customer will vary. This is because the pricing will take effect at the next annual renewal date of each individual subscription. (This is the actual Microsoft subscription renewal date and is independent of the TPx contract date. All Microsoft/Office 365 licenses have annual subscription terms regardless of if they are billed monthly.) The examples below illustrate the different use cases and impact.

Customer A

Customer A is a TPx Managed Services Office 365 customer and has existing Microsoft subscriptions that include the affected license types. These subscriptions were activated before 3/1/2022.

1. TPx contract for Managed Services Office 365 Services signed May 1st, 2021, for 3 years
2. During provisioning, the following Microsoft subscriptions were activated on May 15th
 - a. (20) Microsoft 365 Business Premium – Annual subscription Term 5/15/2021 – 5/14/2022
3. The onboarding project was completed and the TPx billing effective date (or service turn up date) was June 1, 2022. So, customer A's term is 6/1/2021 – 5/31/2024.
4. On October 1, 2021, the customer added a new subscription for:
 - a. (10) Microsoft 365 Business Basic - Annual subscription term 10/1/2021 – 9/30/2022
5. On March 2, 2022, customer A added an additional 5 Microsoft 365 Business Basic licenses to their subscription.



Based on the above environment, customer A will be impacted by the price increase as follows:

- 1) Pricing for the (20) Microsoft Business Premium licenses will be increased effective 5/15/2022
- 2) Pricing for the (10) original Microsoft 365 Business Basic licenses will be increased effective 10/1/2022 because this is the anniversary of the subscription activation.
- 3) Pricing for the additional 5 Microsoft Business Basic licenses will be increased effective 10/1/2022. This is because adding licenses to an existing subscription prorates the licenses to the original subscription date. (Note there is no option to add another Microsoft 365 Business Basic subscription, only 1 subscription per license type is allowed)
- 4) The TPx billing effective date has no impact on timing of the price increases.

Customer B

Customer B is a new TPx MSx Office 365 customer and purchased subscriptions that include the affected license types. These subscriptions were activated by TPx after 3/1/2022.

- 1) Customer B signed the TPx contract for MSx Office 365 Services signed March 15, 2022 for 3 years.
- 2) During provisioning, the following Microsoft subscriptions were activated on March 20, 2022
 - a. (50) Office 365 E3 – Annual subscription term 3/20/2022 – 3/19/2023
- 3) The onboarding project was completed and the TPx billing effective date (or service turn up date) was April 1, 2022. So, the customer's term is 4/1/2022 – 3/31/2025.
- 4) Based on the above environment, customer B will be impacted by the price increase as follows:
 - a. Pricing for the (50) Office 365 E3 licenses will be the new increased pricing and will begin at the subscription activation date of 3/20/2022

Do I need to do anything?

No. This price change will be managed by TPx and no action is required by you or your staff.

Will this change the terms of my existing contract?

No. This price change has no effect on your existing TPx contract terms.