



Microsoft Scales Personalized Wellness Benefit Across the Globe

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Advancing Human and Organizational Achievement through Technology

Microsoft Corporation is a global technology company with a mission to empower every person and organization to achieve more through content-creation software, personal devices, digital collaboration tools, and other workplace technology solutions. Originally founded in 1975, the reach of Microsoft has been expanding across the globe for nearly 50 years. Today its headquarters is based in Redmond, Washington, and its workforce comprises more than 220,000 employees across more than 100 countries.

Popular products include Microsoft 365 (AI-powered office apps), Edge (a web browser), Surface (personal laptops), Viva (an employee experience and wellbeing platform), and a suite of products offered by Xbox, the video gaming brand. Microsoft equips its more than 75,000,000 customers with digital solutions to help them work, connect, innovate, and play. Viewing technology as a force for good, the company seeks to equip changemakers, engage local communities, enable systemic change, and be intentional about the impact of its operations. Knowing that its employees are the driving force behind the company's mission, Microsoft strives to create an inclusive culture where all members of its workforce can thrive.¹ Offering individualized benefits that are flexible, easy to use, and personalized is one way the company achieves its mission. Ultimately, Microsoft amplifies its impact on the planet and drives business outcomes by fostering a healthy organization.

Finding a Solution to Scale Personalized Wellness Benefits

Scaling initiatives, policies, or benefits across the globe is no small feat for any organization, but the challenges of offering personalized benefits in compliance with local regulations and policies aren't stopping Microsoft. "Our mission is to deliver a great portfolio of programs and services that enable our employees to bring their best. We focus on elevating wellness to be a key benefit of working at Microsoft," shared Sonja Kellen, Senior Director of Global Health and Wellness

¹ [Corporate Social Responsibility: How We Work, Microsoft, 2022.](#)

Summary

Challenge

- Developing a customizable benefit that supports employee total wellness beyond simply physical health.
- Scaling a flexible, equitable wellness reimbursement program that is tax compliant and integrates into the payroll systems of more than 100 countries globally.
- Supporting employees in multiple dimensions of their wellbeing.
- Providing a simple interface with fast reimbursement and excellent employee experience.

Solution

- Partnered with Forma, a benefits reimbursement vendor, to offer a flexible solution for wellness benefits with an innovative, best-in-class solution focused on employee experience.
- Offered the wellness benefit platform globally to create efficiency while decentralizing market-dependent decisions across the globe.
- Collaboratively innovated new platform features in partnership with Forma.

Results

- Platform engagement rate is above 90%.
- Employee satisfaction rating is 97.8%.
- Reduced call volume by up to 90%.
- Reduced reimbursement processing time (days turned to hours).

at Microsoft. Every year, the global benefits team conducts a thorough, independent review of the company's benefits and measures its competitiveness. While the benefits rank well among peers, Kellen and her team knew they needed to continue expanding their focus on employee wellbeing.

Many years ago, Microsoft implemented a platform that reimbursed up to \$800 per year in physical wellness-related expenses for each full-time U.S. employee. Over the past several years, Microsoft made a pivotal shift to expand its wellness program beyond physical fitness. A core part of the shift was to adopt a three-pillar wellbeing framework that focuses on supporting employee financial wellbeing and

physical wellbeing as well as mental and emotional wellbeing (see Figure 1). While Microsoft expanded the reimbursement benefit to incorporate holistic wellbeing and increased reimbursement rates, they knew there was more opportunity to improve the operational experience of obtaining reimbursements.

Figure 1: Pillars of Wellbeing at Microsoft



Source: Microsoft, 2022

In 2021, Microsoft began to look at the marketplace for alternative solutions to manage its wellness reimbursement accounts. “We didn’t really know what to expect or what we would find in terms of solutions,” acknowledged Kellen, “because not every company has a reimbursement-style wellness benefit.” Key elements that Microsoft looked for in a new vendor included an ability to review and administer reimbursements, scale globally, integrate seamlessly into various country payroll systems, and deliver a world-class experience for its employees.

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Sonja Kellen, Senior Director of Global Health and Wellness at Microsoft

Partnering with an Innovative, Transparent Provider of Flexible Health Benefits

In January 2022, Microsoft implemented a new flexible and scalable benefits platform through Forma, enabling the company to efficiently reimburse approved expenses related to employee wellness. The benefits platform rollout was accompanied by a decision to increase in the annual wellness reimbursement limit to \$1500 within the United States. Appropriate equivalencies were implemented globally, depending on market factors, which helped stir interest in the new solution, which Microsoft internally refers to as Perks+. As of 2022, 75 countries participate in the Perks+ program.

Global Implementation

In countries such as the United States, Microsoft offers benefits based on the calendar year. Other countries offer benefits based on the company’s fiscal year, which begins July 1. Given the operation difference, the global benefits team applied a phased approach to the launch of Perks+. The initial rollout in January 2022 included more than 50 countries. On July 1, Microsoft added 21 more countries to Perks+.

The launch entailed access to the Forma platform, which is linked to Microsoft’s benefit intranet site and features a variety of benefits in an app-like fashion. “Once our employees are authenticated, there is a slick, single sign-on feature that leads them directly to the reimbursement platform,” explained Kellen. The solution integrates into the payroll systems of each country, which is essential for smooth global administration because the funding is taxable. Today, reimbursements appear seamlessly on employees’ paychecks as taxable income. The administrative burden on Microsoft’s payroll teams is minimal due to this data flow, which was a draw for Microsoft when selecting its vendor. “With most of our suppliers, we hope to lean on them as much as possible for the administrative work so that we may focus on the human element and overall impact on our employees,” shared Kellen.

When determining the reimbursement limit per employee across the globe, Microsoft achieved scalability by decentralizing decisions. The global benefits team is responsible for developing and managing efficient, cost-

effective benefits, while country managers assess the local reimbursement limits and policies. Kellen's team provides subject-matter expertise, consultative support, and governance models on health and wellness benefits to all countries where Microsoft operates. "Each country is responsible for financing its own benefits, so it is largely up to them, for the most part, to position its reimbursement benefits competitively within local markets," shared Kellen.

While decentralized decision-making was imperative to the quick, expansive rollout of Perks+, Kellen's team also needed to provide centralized guidance. "We provide frameworks, tools, and systems to do these reimbursements, which has been a huge win," elaborated Kellen. "This enabled us to have a compliant, global solution that works and feeds into all the payrolls in every country."

The revamped Perks+ solution is less than a year old, but Microsoft is already ensuring the maintenance and utility of the program through quarterly reviews, which provide opportunities for local countries to communicate and brainstorm changes with the global benefits team. "Many countries had historically used a fitness reimbursement or gym contract model," shared Kellen. "We hope all countries eventually evolve into our more comprehensive reimbursement model."

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Tailored Wellness Benefits for All

Microsoft's employees are empowered to decide how to spend their wellness money within the program's broad guidelines (see Figure 2). If an item, service, or experience doesn't conflict with Microsoft's philosophy, as specified by an exclusion list, there are minimal restrictions on what can count as an eligible wellness expense. Many employees leverage the benefit for physical wellbeing, such as gym memberships, fitness classes, athletic shoes, or home exercise equipment. However,

others incorporate ergonomic home purchases such as new pillows for their sleep health. Some repay student loans or get professional support for their annual tax filings. Massages, financial advising, and caregiver support are among the items that employees have submitted for reimbursement.²

The wellness benefits have been a critical resource for employees in Microsoft's ongoing transition into becoming a more remote workforce. "We are seeing more employees shifting away from working at our headquarters locations since much of our operations can be done remotely," explained Kellen. Offering a benefit that flexes to employee needs, wherever they work, is an integral part of the transition.

There are very few limits to what a Microsoft employee can have reimbursed. These limits are defined by a short exclusion list containing items and experiences not aligned with Microsoft's philosophy, such as certain foods, alcohol, and weapons. By opting for an exclusion list rather than an inclusion list, Microsoft is streamlining the administrative process of approving reimbursement requests while empowering employees to access wellness resources that are meaningful to them.

Figure 2: Flexible and Tailored Benefits through Perks+



Source: Microsoft, 2022

Getting Reimbursed with Ease and Transparency

The process to receive reimbursement for wellness-related purchases is simple. Employees take a photo or screenshot of their receipt and upload it to the solution platform. "The

² [Make the Most of Life](#), Microsoft, 2022.

actual process of submitting a reimbursement and getting reimbursed is significantly simpler now than it ever was before,” explained Kellen. Reimbursement time has also dropped significantly, further emphasizing an employee-centric experience. “Now it just takes a few seconds to get everything submitted, and the turnaround time for processing and getting the claim approved is just hours, which far exceeded our expectations,” elaborated Kellen.

In addition to providing a user-friendly interface and faster processing times, Microsoft was impressed with the transparency provided into the status of each reimbursement. “When our employees submit a receipt, they receive live updates on the approval status and payment processing. It is clear where reimbursement is at, which was hard to know with our previous platform,” shared Kellen.

Results

Partnering with an external vendor with expertise in reimbursement program administration aligned with the Microsoft initiative to make processes easier to navigate. “On the operations side, we have become more modern and tech-enabled. This wellness benefit platform has the potential for even more streamlined processing in the future,” shared Kellen. “Plus, it’s been great to see how the employee experience has been so simple.”

The number of calls related to reimbursement has been reduced by 90% since the initial rollout in January 2022. “The volume is much simpler to manage. We have fewer complaints,” shared Kellen. She also explained how employee participation in the program has resulted in fewer questions being asked of her team. Microsoft has internal chat sites, such as Yammer, where employees seek their peers’ guidance and advice. “Our employees source solutions from each other,” explained Kellen, “but often before any employee can respond, Forma will have provided answers. I often see replies along the lines of, ‘I couldn’t even help you before you got your answer!’”

In addition to a positive employee support experience, Microsoft has observed several other key results. Results include a global platform engagement rate above 90%, a customer satisfaction rating of 97.8%, and reduced processing time from days to hours.

97.8% Employee satisfaction rating is 97.8%

> 90% Platform engagement rate is above 90%

90% Reduced call volume by up to 90%

Days to Hours Reimbursement processing time takes hours rather than days

Lessons Learned

Throughout Microsoft’s wellbeing journey, they discovered a few key lessons learned that they will leverage in future endeavors.

- **Centralize the platform, and decentralize market-dependent decisions.** Microsoft has implemented an effective, tailorable wellness benefit. The benefit creates a positive employee experience and a relevant, attractive talking point for the talent acquisition team to attract top talent. Centralizing its reimbursement platform made its solution scalable across 100+ countries. Decentralizing reimbursement amounts to the country’s decision level made its solution competitive in local markets.
- **Be as expansive as possible in the definition of eligible items.** The positive response to the platform and its subsequent employee engagement can be attributed in no small part to the flexibility of what Microsoft defines as a wellness expense. Rather than maintaining a comprehensive list of included items, Microsoft set limitations by creating concise, philosophy-based categories of included items with brief exclusion lists.
- **Wellness encompasses more than physical health.** Microsoft aims to elevate wellness to be an integral benefit of working at Microsoft. Expanding beyond its traditional definition of physical wellness to include mental, emotional, and financial wellness was critical in looking at health comprehensively and offering relevant benefits that employees are excited to use.

Next Steps: A Two-Way Partnership

Microsoft continues to partner with Forma to empower its employees to tailor their wellness benefits to their individual lives. The partnership is mutually beneficial, as Microsoft's evolving needs and desires are shaping the growth of Forma itself. The two organizations continue to work together to create additional reimbursement programs in countries where wellness needs could be better supported. For example, in one country, certain supplemental medical expenses are not otherwise covered by insurance. The reimbursement program will give employees access to treatment with a simplified reimbursement approach. Furthermore, privacy compliance is built into the platform, which will prevent situations in which

sensitive employee health data is shared with the organization to get expenses reimbursed through a less formal process. Microsoft has also expanded its partnership with the vendor to offer adoption and surrogacy program reimbursements in the United States, speaking again to its flexibility to meet numerous needs of its employees.

Microsoft is now exploring the introduction of AI into its benefits platform, which will be capable of approving wellness expenses for reimbursement based on receipts—without a human being involved. AI is of great interest to Microsoft, which is willing to test the new technology as Forma develops its platform and its capabilities. Microsoft continues to look for ways to expand its benefits offerings through Forma beyond Perks+ reimbursement as employees' wellness needs and priorities evolve in the future.

About the Authors



Josh Bersin

Josh founded Bersin & Associates in 2001 to provide research and advisory services focused on corporate learning. He expanded the company's coverage to encompass HR, talent management, talent acquisition, and leadership and became a recognized expert in the talent market. Josh sold the company to Deloitte in 2012 and was a partner in Bersin by Deloitte up until 2018.

In 2019, Josh founded the Josh Bersin Academy, a professional development academy that has become the "home for HR." In 2020, he put together a team of analysts and advisors who are now working with him to support and guide HR organizations from around the world under the umbrella of The Josh Bersin Company. He is frequently featured in publications such as *Forbes*, *Harvard Business Review*, *HR Executive*, *The Wall Street Journal*, and *CLO Magazine*. He is a popular blogger and has more than 800,000 followers on LinkedIn.



Jordan Schmitting

Jordan Schmitting joined The Josh Bersin Company as a senior research analyst after interning through the organization's Big Reset Initiative. Passionate about the intersection between behavioral sciences and the workplace, Jordan pursued a neuroscience degree before obtaining her master's in Human Resources and Industrial Relations from the University of Minnesota, Twin Cities. She is a certified HR professional and brings experience from multiple industries, including commercial real estate, industrial process solutions, higher education, transportation and retail.

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The Josh Bersin Company provides a wide range of research and advisory services to help HR leaders and professionals tackle the ever-evolving challenges and needs of today's workforce. We cover all topics in HR, talent, and L&D. The Josh Bersin Academy—built on our research and powered by Nomadic Learning—helps HR practitioners grow key foundational skills. Our corporate membership program provides HR teams and senior leaders with the skills, strategies, and insights to build cutting-edge HR and people strategies through a combination of research, assessments, professional development, exclusive events, and community. In 2022, The Josh Bersin Company introduced the Global Workforce Intelligence (GWI) Project to guide market-leading businesses and their leaders through the challenges of industry convergence while remaining future-focused.

For more details, contact us at info@bersinpartners.com.