



# *California Civil Rights Department v. Microsoft Corporation*

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## FAQ

The California Civil Rights Department (“CRD”) and Microsoft Corporation (“Microsoft”) have agreed to settle CRD’s complaint against Microsoft. On July 1, 2024, the Parties filed the proposed settlement (known as a “Consent Decree”) with the court. The court signed the Consent Decree on August 8, 2024, and the effective date of the Consent Decree is August 9, 2024. The Consent Decree is available [here](#).

### **1. What is this lawsuit about?**

CRD received a complaint alleging that Microsoft unlawfully discriminated against employees who use or request to use protected leave. CRD’s investigation focused on discrimination against workers relating to the use of parental, medical, family caretaking, and pregnancy leave, and potential adverse impacts on women and people with disabilities. Through the settlement, CRD and Microsoft were able to avoid what may have been a lengthy and expensive legal battle.

### **2. Why is there a settlement?**

In accepting this settlement, CRD has considered the time, resources, and expenses necessary to pursue a lawsuit fully. CRD has also considered the uncertainty and risk of litigation, including the time it would take to obtain relief for workers without a settlement. CRD determined that the terms of the settlement agreement are in the best interests of impacted Microsoft workers and the public interest.

### **3. Am I covered by the settlement?**

The settlement covers employees who (1) worked for Microsoft in California for at least ninety (90) days from May 13, 2017, through August 9, 2024, the effective date of the Consent Decree (the “Settlement Period”) and (2) took one or more leaves of absence that was protected by the California Fair Employment and Housing Act (including the California Family Rights Act and the Pregnancy Disability Leave Law), Title VII, and the Americans with Disabilities Act.

If you are a Covered Worker, the Settlement Administrator will contact you by mail, e-mail, and/or text message. You will receive a Notice Packet, which will contain information on the settlement, including a copy of the Consent Decree, a Notice of settlement, a Covered Worker Release form, and an Individual Payment. The Settlement Administrator will also maintain a website, email address, and toll-free telephone number that Covered Workers can use to obtain more information, including information on how your payment was calculated. The parties have agreed to engage JND as the Settlement Administrator. CRD will update this FAQ to include further information when it becomes available.

If you are a Covered Worker, any compensation you obtain through the settlement will cover this time period **only**, and not claims that might arise **after** August 9, 2024, the effective date of the Consent Decree.

You may choose whether you want to participate in the settlement. If you decide to participate, then you will have one hundred eighty (180) days from the issue date of your payment to cash or deposit it. If you accept the payment, you will be agreeing to release specific claims you may have against Microsoft during the Settlement Period. This will be set forth in detail in the release form you will receive (and is attached to the Consent Decree as Exhibit B).

If you decide that you do not want to participate in the settlement, then you should not cash or deposit the check, and you will not release claims against Microsoft.

#### **4. How much money does the settlement provide for Covered Workers?**

Microsoft will pay \$14,200,000 to compensate Covered Workers. Each Covered Worker will receive an Individual Payment. The amount includes:

- A standard Base Amount of \$1,500.00.
- An Additional Amount based on several factors including your highest salary during the Settlement Period, length of employment with Microsoft in California during the Settlement Period, and the taking of Protected Leave during the Settlement Period. The Settlement Administrator's website will enable you to access how your Additional Amount was calculated.

You may also receive a Second Payment check from the Redistribution Fund if there are remaining funds following the first distribution, and you decided to participate in the settlement by cashing or depositing your Individual Payment.

#### **5. Does the settlement require Microsoft to make any changes?**

The settlement requires Microsoft to take specific steps over a thirty-month period, including:

- Retaining an independent consultant to evaluate and make recommendations regarding Microsoft's policies and practices so that managers do not consider time on protected leave when determining impact for annual Rewards and promotions. The consultant will also evaluate the available avenues for California employees to raise concerns that their Rewards outcomes and/or promotion decisions reflect leave discrimination or leave retaliation;
- Ensuring that managers and human resources personnel complete annual training concerning prohibitions on discrimination based on the use of Protected Leave; and
- Reporting annually on compliance with the Consent Decree, including how it is receiving and processing discrimination complaints relating to the use of protected leave.

For additional information on these requirements and related timelines you can view the [Consent Decree](#).

## **6. I experienced a violation while working at Microsoft, but it was before or after the time period of the settlement. Is there anything that I can do?**

If you experienced a violation that is not covered by the settlement, please consult an attorney to discuss your legal options. For example, if the violation occurred before May 13, 2017, or after August 9, 2024, the effective date of the Consent Decree, it is not covered by the settlement. Likewise, if you are not a Covered Worker, this settlement does not cover your claims.

**IMPORTANT:** There are strict time limits for pursuing legal claims by filing an administrative complaint or a lawsuit. For employment discrimination claims under the Fair Employment and Housing Act (or FEHA), except in special and rare circumstances, an employee must file an administrative complaint with CRD within three years from the date they were harmed. Information about such state limitations is available at [Complaint Process | CRD](https://calcivilrights.ca.gov/complaintprocess/) (https://calcivilrights.ca.gov/complaintprocess/). The time limit to file an employment discrimination administrative complaint with the federal Equal Employment Opportunities Commission (EEOC) is three hundred (300) days from the date the employee was harmed. Information about such federal limitations is available at [Filing A Charge of Discrimination | U.S. Equal Employment Opportunity Commission](https://www.eeoc.gov/filing-charge-discrimination) (https://www.eeoc.gov/filing-charge-discrimination).

## **7. I am a Covered Worker. What are my next steps?**

Covered Workers will likely receive a Notice Packet roughly five months after the Court has approved and entered the settlement. The Notice Packet will contain additional information about the settlement, including a copy of the Consent Decree, a Notice of settlement, a Covered Worker Release, and a Covered Worker Individual Payment check. The Notice Packet will also include a website, email address, and toll-free telephone number that Covered Individuals can use to contact the Settlement Administrator for more information.

If you are a Covered Worker, please carefully review the paperwork you will receive from the Settlement Administrator. If you have questions regarding your individual situation, please consult with an attorney because CRD cannot give you legal advice.

## **8. What will I give up if I decide to participate in this settlement?**

By accepting payment (i.e., depositing or cashing the Covered Worker Individual Payment check), you will opt in to the settlement. By opting in, you will release Microsoft from any of the claims asserted on behalf of the class in CRD's lawsuit against Microsoft for any violations that took place from May 13, 2017, through August 9, 2024, the effective date of the Consent Decree. Those claims are listed in the release form that you will receive with your Notice Packet.

If you experienced a violation before May 13, 2017, or after August 9, 2024, the effective date of Consent Decree, please consult an attorney to discuss your legal options. See FAQ #6.

## **9. Do I have to participate in this settlement?**

No. If you do not deposit or cash your Covered Worker Individual Payment check within one hundred

eighty (180) days, the check will be considered void; you will receive no money from this settlement; you will be deemed to have chosen not to participate; and you will not release any claims against Microsoft.

## **10. Will I be taxed on the money I received?**

CRD cannot provide information on tax obligations. The Consent Decree designates the payments that Covered Workers will receive as 50% wages and 50% non-wage income. The Settlement Administrator will distribute appropriate tax reporting forms, such as a W-2 and Form 1099-MISC. For additional information on tax implications, please consult a tax professional. Neither CRD, Microsoft, nor the Settlement Administrator will be able to advise you on your tax obligations.

## **11. Whom do I contact to provide information or ask questions about the settlement?**

If you have any questions, you can call CRD at (916) 957-0341 or email CRD at [ProtectedLeave@calcivilrights.ca.gov](mailto:ProtectedLeave@calcivilrights.ca.gov).

*Last updated on September 20, 2024.*