

Microsoft will pay \$14M to settle allegations it discriminated against employees who took leave

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A sign for Microsoft offices is seen, May 6, 2021, in New York. Microsoft Corp. has agreed to pay \$14.4 million to settle allegations that the global software giant retaliated and discriminated against employees who took protected leave, including parental and disability, the California Civil Rights Department announced Wednesday, July 3, 2024. Credit: AP Photo/Mark Lennihan, File

Microsoft Corp. has agreed to pay \$14.4 million to settle allegations that the global software giant retaliated and discriminated against employees who took protected leave, including parental and disability, the California Civil Rights Department announced Wednesday.

The proposed [settlement](#) stems from a multi-year investigation by the California agency and the consent decree is subject to approval in state court in Santa Clara County, where the Redmond, Washington-based company has an office.

The state agency, which launched its investigation in 2020, alleged that employees who took leave from work due to pregnancy or disability, or to bond with a new baby or care for a sick family member, received lower bonuses and unfavorable performance reviews.

Those factors, in turn, harmed employee eligibility for merit pay increases and promotions and the practice disproportionately impacted women and people with disabilities, the department said.

In a statement, civil rights department director Kevin Kish applauded the company "for coming to the table and agreeing to make the changes necessary to protect workers in California."

Microsoft responded in a statement that the agency's [allegations](#) are inaccurate, but it "will continue to listen, learn, and support our employees."

As part of the proposed settlement, Microsoft will take steps to prevent future discrimination, including updated manager training. An outside consultant will monitor and report on the company's compliance.

Most of the settlement money—\$14.2 million—will go toward harmed workers. Covered employees worked at Microsoft from May 13, 2017, to a yet-to-be-determined date of court approval for the settlement, and who took at least one leave protected under state or federal law.

Each eligible employee will receive a base payment of \$1,500 with more available based on factors such as salary and length of employment.

Microsoft has about 221,000 employees worldwide, including nearly 7,000 in California, according to the state civil rights agency. The agency did not have an estimate for how many workers could receive payment.

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