

Microsoft 365 Personal and Home get price hike after Copilot and AI features added

This will be the first price increase for Microsoft 365 Personal and Home subscriptions since Microsoft launched the Office 365 service 12 years ago.

A few months ago, Microsoft unexpectedly announced a price increase for its Microsoft 365 subscription for users in Australia and New Zealand. To compensate, the company introduced Copilot and a number of AI-powered features to Office apps like Word, Excel, and other popular productivity apps. After a 'pilot' period, the Redmond company is ready to roll out the change to other countries around the world.

This will be the first price increase for Microsoft 365 Personal and Home subscriptions in the United States. Since Microsoft launched Office 365 12 years ago, the company has kept the prices at \$69.99/year (individual) and \$99.99/year (family). Now, however, those prices will increase by \$3/month, to \$99.99 and \$129.99 for Office 365 Personal and Family subscriptions, respectively.

If you're already a Microsoft 365 subscriber, nothing will change until your next monthly or annual payment. However, you'll still have immediate access to the new Copilot features.

Notably, individuals who don't need the new AI features and don't want to pay extra can opt for the Personal Classic and Family Classic plans, which will keep the old price but not get access to the new AI features. Microsoft is committed to maintaining the Classic subscription plans, but also emphasizes that "some new enhancements" will only be available in the more expensive subscription plans.

In addition to features like document editing in Word, data analysis in Excel, email summarization in Outlook, and presentation creation in PowerPoint, Microsoft 365 subscribers can access image creation in Microsoft Designer. However, all of these features require AI credits, which are distributed to each subscriber each month. Microsoft says the number of credits 'should be sufficient for most subscribers.' If that's not enough, customers can upgrade to the Copilot Pro plan, which costs \$20 a month and has unlimited usage.

Microsoft also pledged not to use customer data to train its AI models. This assurance comes after a report went viral on the internet, falsely claiming that Microsoft stole user data to train the company's AI models.

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