



## Microsoft CSP Incentives and Rebates Playbook

Covering a wide range of business objectives, Microsoft's Cloud Solution Provider (CSP) incentive offerings provide critical resources to help your Microsoft business grow and succeed. Enrolling in the right program not only lets you reap the rewards of your company's achievements, but also supports your potential expansion into new markets and business models.

# What is the CSP Indirect Reseller Incentives Program?

The CSP Indirect Reseller Incentives Program is designed to drive adoption of Microsoft’s Cloud Solutions. In FY22, the Indirect Reseller incentives provide enhanced focus on strategic products like Microsoft 365, Dynamics 365, and Azure.

## FY22 Rebate Breakdown

By subscribing to a Silver or Gold membership, you can receive a rebate on the Microsoft products you already sell. See the breakdown of the rebate percentages by product category below.

October 1, 2021 – September 30, 2022	Rate	Earning Split
Core Incentive – Azure billed revenue	4%	<b>60% Rebate 40% Co-op</b>  Starting July 1 <sup>st</sup> , a 10k per semester threshold to qualify for co-op usage will apply.
Core Incentive – Modern Work & Security billed revenue	4%	
Core Incentive – Business Applications billed revenue	4.75%	
Customer Add Accelerator – Modern Workplace	10%	
Customer Add Accelerator – Business Applications	20%	
Global Strategic Product Accelerator – Tier 1 (Microsoft 365 E3, Microsoft 365 E5, Microsoft 365 Business Premium and Dynamics Business Central)	5%	
Global Strategic Product Accelerator – Tier 2 (Power Apps and Sales Pro)	10%	
Global PSTN Calling and Conferencing Accelerator	20%	
Azure Reservation (RIs) Consumption	10%	
Subscription Software	Core – 1.25%, Strategic – 6%	<b>100% Rebate</b>

# How Do You Participate And Earn?

**Step 1:** Have an active Microsoft Partner Network (MPN) membership.

**Step 2:** Select a competency area.

Below are the Microsoft competencies that Pax8 recommends based on what our partners most commonly participate in (*Small and Midmarket Cloud Solutions is the most common*).

Microsoft Resource

View the full list of available competencies at [this link](#).

O365/M365	Azure	Dynamics 365
<p style="text-align: center;"><b>Small and Midmarket Cloud Solutions</b></p> <p>Empower small and midsize business customers to work from anywhere with best-in-class productivity and security.</p>	<p style="text-align: center;"><b>Cloud Platform</b></p> <p>Help customers modernize their infrastructure and migrate applications and data to the cloud.</p>	<p style="text-align: center;"><b>Cloud Business Applications</b></p> <p>Dynamics 365 partner and leader in delivering business-ready apps and services.</p>
<p style="text-align: center;"><b>Cloud Productivity</b></p> <p>Showcase your expertise in delivering Office 365 – the leader in commercial-grade productivity solutions.</p>	<p style="text-align: center;"><b>Windows and Devices</b></p> <p>Help your customers unleash the power of Windows, from deployment to delivering state-of-the-art devices.</p>	<p style="text-align: center;"><b>Enterprise Resource Planning</b></p> <p>Help your customers make data-driven decisions with global visibility, scalability, and digital intelligence.</p>
<p style="text-align: center;"><b>Enterprise Mobility Management</b></p> <p>Help customers address important compliance issues and emerging security threats.</p>	<p style="text-align: center;"><b>Data Analytics</b></p> <p>Deliver customers actionable business insights they can use to transform their businesses.</p>	
	<p style="text-align: center;"><b>Data Platform</b></p> <p>Deliver customers actionable business insights they can use to transform their businesses.</p>	

**Step 3:** Meet the performance and skill validation requirements and pay the fee for your membership level.

### Silver Membership

**Annual Fee = \$1,670**

Example performance requirements for the Small to Midmarket Competency:

- Must add 4 new Office 365 customers in the last 12 months

Note: This includes M365 and O365 suites, but does NOT include Exchange Online Protection (EOP)

### Gold Membership

**Annual Fee = \$4,730**

Example performance and skill validation requirements for the Small to Midmarket Competency:

- Must add 25 new Office 365 customers in the last 12 months
- Your company must have 2 individuals pass the exam requirements

**Step 4:** Onboard in the CSP incentive tool.

## What Do You Get By **Participating?**



### Internal Use Rights (IURs)

Licensed Microsoft software allows you to get firsthand knowledge of features and capabilities



### Backend Rebates

This incentive includes global, local, and co-op components



### Go-to-market Resources

Self-service digital marketing resources



### Technical Support & Advisory Hours

Technical support for one-on-one sessions

# How Do IURs Benefit You?

Internal-use software licenses allow you to get firsthand knowledge of features and capabilities for the latest Microsoft software.

The MPN continually updates the internal-use software benefits with new products and more recent versions of software already available to partners. You can use these new benefits as soon as they are added to the Microsoft Partner Network licensing list. Software benefits, delivered through digital download, can be used to run your business and to help you gain valuable hands-on experience with the latest technologies.

**Microsoft Resource**

Learn more about IURs at this [overview page](#) and access the full IUR license table at [this link](#).

Core Licenses (included with all competencies)	Competency Licenses (competency-specific)	
Apps and Infrastructure	Application Development	Data Center
	Application Integration	Dev Ops
Business Applications	Cloud Business Application	Enterprise Mobility Management
	Cloud Platform	Enterprise Resource Planning
Data and AI	Cloud Customer Relationship Management	Small and Midmarket Cloud Solutions
	Cloud Productivity	Messaging
Modern Workplace	Collaboration and Content	Project and Portfolio Management
	Communications	Security
	Data Analytics	Windows and Devices
	Data Platform	

# What Has Changed?

Beginning October 1, 2021, Microsoft has introduced a partner revenue threshold as criteria for eligibility. Partners must now have a trailing twelve month (TTM) revenue of \$25k in order to be eligible for the CSP Indirect Reseller incentive program. Partners participating in the incentive program that are not meeting the revenue threshold by October 1, 2021 will be offboarded. Once a partner has met the eligibility criteria, Microsoft will send an invitation to the program and partners will have to enter valid and complete tax and bank details in Partner Center before they can begin earning incentives and rebates.

## Microsoft Resource

Read Microsoft's [Cloud Solution Provider \(CSP\) Indirect Reseller Incentive Guide](#) provides the mechanics, requirements, and executional logistics for all the program and eligible co-op activities.

# How Do I Earn Co-Op?

- 1 60% direct monthly payout and 40% accrued in a co-op bucket:** Microsoft will calculate monthly incentive earnings using a split of 60% rebate/40% co-op (excludes Azure RIs and subscription software). Partners will continue receiving the rebate portion using the existing monthly pay-out cadence while Microsoft will accrue the 40% co-op portion of incentive earnings.
- 2 Co-op deposit after 6-month earning period (if you meet \$10,000 threshold):** At the close of each 6 month earning period, for partners exceeding the minimum co-op earning threshold of \$10,000 USD, Microsoft will deposit the funds into the Partner Center claims tool for use in the upcoming fiscal semester. For example: co-op funds earned in H2 FY21 will be available for use in eligible co-op activities during H1 FY22.  
  
Note: Partners that do not exceed the \$10,000 USD co-op threshold will receive the withheld co-op funds as part of their rebate payment in the following payment cycle.
- 3 Claim co-op funds by performing eligible co-op activities:** Co-op funds must be claimed during the usage period that follows the earnings period. Co-op funds not used during the usage period will be forfeited after the end of the period.

# How Does the 60% Direct Monthly Payout/ 40% Co-Op Payment Breakdown Work?

A partner that has \$25,000/month on M365 and O365 billings would receive the following incentive rebates highlighted in gray.

October 1, 2021 – September 30, 2022	Rate	Earning Split
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**Payment breakdown** for partner with \$25,000/month in O365 and M365 billings starting July 1, 2020

Total monthly rebate: 19% (4% + 10% + 5%)  
 $19\% \times \$25,000 = \$4,750$

60% of \$1,900 = \$2,850 direct monthly payout  
 40% of \$1,900 = \$1,900 into co-op bucket  
 Co-op accrual by January 1, 2021 (\$1,900 x 6 months) = \$11,400

Note: \$11,400 exceeds the co-op threshold of \$10,000, so this partner's co-op funds will be deposited into their Partner Center claims tool for use in eligible co-op activities during the next fiscal semester.

# What Are The Co-Op Earning And Usage Periods?

The **earning period** is the 6 months during which partners earn rebates and co-op.

The **usage period** refers to the 6 months that immediately follow the earning period. Partners perform co-op activities and submit claims during the usage period. There is a 45-day grace period after the end of the usage period for partners to complete their claim submissions. If funds are not claimed by the conclusion of the grace period, they will be forfeited and retired with no possibility of reinstatement.

**Microsoft Resource**

The [Co-op Guidebook](#) on the Partner Incentives section of the MPN is the primary source to provide the mechanics, requirements and executional logistics for all eligible co-op activities.

Find incentive resources and details summary of payment details [here](#).

Additional incentive program support is available at [ocina@microsoft.com](mailto:ocina@microsoft.com).

## Earning and Usage Periods

The incentive funds for resellers are earned and paid out as follows:

	FY21H2						FY22H1						FY22H2						FY23H1		
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>Earning</b>	Earning 2 (FY21)						Earning 1 (FY22)														
<b>Usage</b>							Earning 2 (FY21)						Earning 1 (FY22)								
<b>Claiming (+45 days after usage period)</b>							Claiming 2 (FY21)						Claiming 1 (FY22)								

## What is the Microsoft Commerce Incentives?

Microsoft Commerce Incentives are designed to reward CSPs who make a direct impact in delivering value-added services, drive customer adoption and consumption. Partners must enroll for the following incentive programs in Partner Center before they can begin earning. To learn more about the specific breakdown of each incentive program, review the FY22 Microsoft Commerce Incentive Overview located on the [Microsoft Commerce Incentives Resources](#) page.



Need a Microsoft expert to help clear up  
the confusion around **CSP competencies,**  
**incentives, and rebates?**

[Schedule a Call](#)