



An Extended Guide · No. 1917

Which Microsoft 365 Plan Do You Really Need?

A plain-English, money-saving
guide to the Office plans

Tech Made Simple — Service Made Personal

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★ The short answer, before we even begin

Most people need far less than they're sold. If you write a few letters, keep a budget, and email, one of the lower plans — or even a free option — may be plenty. Let's figure out what fits you, with nothing to sell you.

Let's find the plan that fits your life

Microsoft 365 is the modern name for the Office programs you know — Word, Excel, PowerPoint, and Outlook — plus some online storage and, lately, an AI helper. The trouble is the menu of plans, which seems built to confuse. This guide clears it up.

I'm Bill, and I run Bill's Home Tech here in Portage County, Ohio. I've spent 30+ years helping folks make sense of exactly this kind of thing, patiently and in plain language. Think of this as the two of us at your kitchen table, sorting out what you actually need.

A quick note on prices: Microsoft changes them from time to time, so every dollar figure here is 'about this much, as of this writing.' Always check the current price on Microsoft's own website before you buy. I'll remind you of that where it matters.

The whole guide, on one page

If you remember only these things, you're already most of the way to a smart, money-saving choice.

- ❑ There are really just a few consumer plans: Personal, Family, a cheap Basic plan, and some lower-cost plans that leave out the AI.
- ❑ Personal is for one person; Family covers up to six people, each with their own account and storage.
- ❑ The newer plans now include an AI helper called Copilot — which is why the price went up. You can pay less by skipping it.
- ❑ Every paid plan includes 1 TB (a terabyte) of online storage, which is a lot — more than most folks will ever fill.
- ❑ If you only write a few things a year, you may not need to pay at all — see our [free-ways-to-write](#) guide.
- ❑ Before you buy, check today's price on Microsoft's website — prices move.

✓ The money-saving mindset

Don't buy for the person you imagine you might become. Buy for what you actually do in a normal month. You can always step up later — it takes about two minutes.

First: are you already paying for this?

Before choosing a plan, let's find out what you've got. A surprising number of people pay for a plan they forgot about — or have one that came with a new computer.

Open Word or Excel, click **File**, then **Account** (on a Mac, look under the program's menu). You'll see your name, the Microsoft account you're signed in with, and the words 'Subscription Product' with the plan name, or 'Product Activated' if it's a one-time purchase.

You can also sign in at account.microsoft.com and look under 'Services & subscriptions.' That page shows exactly what you pay for, when it renews, and how much it will cost — the single most useful page in this whole subject.

! Watch for a plan you forgot

If you see a subscription renewing that you don't remember starting, or one that came free for a year with a new laptop and is now charging you, this is the moment to catch it. Nobody likes finding a year of charges after the fact.

★ Not sure what you're looking at?

Snap a photo of that Account screen and text it to me at (330) 200-8042. I'll tell you in plain English what you have and whether you're overpaying — free.

The two main plans, side by side

For most households it comes down to these two. The only real question is how many people need it.

	Personal	Family
Who it's for	One person	Up to 6 people
Roughly	About \$100/yr	About \$130/yr
Online storage	1 TB for you	1 TB each person
The apps	Word, Excel, etc.	Word, Excel, etc.

Notice the Family plan. For only a little more than Personal, it covers up to six people — each with their own private account and their own terabyte of storage. If two or more people in your home need Office, Family is almost always the better deal, and nobody shares a login.

✓ **Family is the quiet bargain**

Split six ways, the Family plan can cost each person just a few dollars a month. Grandparents often pay for it and share with their adult kids and grandkids — we have a whole guide on doing that safely.

The lower-cost plans that skip the AI

Here's the part the big comparison charts bury: you can pay less by not paying for features you won't use.

Microsoft 365 Basic

A low-cost plan (around \$20 a year, as of this writing) that gives you 100 GB of online storage and the web and phone versions of the apps. The catch: it does **not** include the full installed desktop programs. Fine for storage and light use; not if you want Word running on your computer.

The 'Classic' plans, without Copilot

When Microsoft added the Copilot AI helper, prices rose. To soften that, there are lower-priced 'Classic' versions of Personal and Family at roughly the old prices, with the same Word, Excel, and PowerPoint — just without the AI extras. The wrinkle: these aren't openly advertised. They tend to appear only as a cheaper option when you go to cancel, and the details can change.

★ If you don't want the AI, say so

You should not have to pay for an AI helper you'll never touch. If you'd rather keep it simple and cheap, call me at (330) 200-8042 and I'll walk you through finding the lower-cost option that still gives you the real programs.

What the AI helper is — and why the price went up

You'll see 'Copilot included' splashed across the newer plans. Here's what that actually means for you and your wallet.

Copilot is a built-in assistant that can draft a letter from a few notes, summarize a long document, or help build a spreadsheet by asking it in plain words. For some folks it's genuinely handy; for others it's a feature that sits unused. Either way, it's the main reason the standard plans cost more than they used to.

There's also a monthly limit to how much of the heavy AI work you can do on the regular plans — a set allowance that resets each month. If you somehow use it up, Microsoft offers a paid add-on (Copilot Pro) for heavier users. Most people never come close to the limit; check the current allowance on Microsoft's site if you're curious.

✓ You can turn Copilot off

Even on a plan that includes it, you can hide and disable Copilot so it stops popping up — it's a checkbox in the app's options. Our dedicated Copilot guide shows you exactly where the switch is.

That terabyte of storage — what it's really for

Every paid plan brags about '1 TB of cloud storage.' Let's translate that into something useful.

A terabyte is a huge amount — room for hundreds of thousands of photos, or every document you'll ever write, many times over. It lives in Microsoft's OneDrive, which is simply an online folder your files can be saved into so they're backed up and reachable from any device.

The real value for most people isn't the size — it's the safety. If your computer is lost, stolen, or dies, files kept in OneDrive are still there, waiting on another device. For photos and important papers, that peace of mind can be worth the subscription by itself.

! Storage is also why cancelling needs care

Because your files may live in that online storage, letting a subscription lapse can affect them. It's nothing to fear, but there are a couple of steps to take first — our [cancelling-without-losing-files](#) guide covers them.

A subscription isn't your only option

Paying every year isn't the only way to get Office. You can also buy it once, the old-fashioned way. Here's the quick version.

A one-time purchase — the current one is called Office 2024 — costs a single price (about \$150 for the Home edition, as of this writing) and is yours to keep, with no yearly bill. The trade-off: you don't get the online storage, you don't get Copilot, and it won't upgrade to the next version when one comes along.

Roughly speaking: if you want the storage, the AI, and always-current apps across several people, a subscription makes sense. If you just want Word and Excel on one computer and no recurring charge, buying once may be cheaper over time. We weigh this in detail in our [buy-once-vs-subscribe](#) guide.

✓ The break-even is a few years

A one-time purchase tends to pay off if you'd keep the same version for several years. If you like having the newest features and the storage, the subscription earns its keep. Neither is wrong — it's about how you work.

The free options worth knowing about

Before you pay anyone anything, know that there are real, free ways to write a letter or keep a simple list.

- **Office on the web:** free, stripped-down versions of Word and Excel you use in a browser with a free Microsoft account.
- **Google Docs and Sheets:** free, capable, and automatically saved — all you need is a free Google account.
- **LibreOffice:** a free program you install that opens and saves Word and Excel files, with no subscription ever.
- **Apple's Pages and Numbers:** free on any Mac, iPad, or iPhone.

If you write a few things a year, one of these may be all you need. Our free-ways-to-write guide compares them for exactly that kind of light use. You can always subscribe later if your needs grow.

★ Paying for peace of mind is fine too

There's no shame in paying for the real, familiar Office if that's what feels comfortable — comfort has value. I just want you to know the free roads exist, so the choice is yours and not the salesperson's.

Two kinds of readers, two sets of needs

The right plan depends a lot on how much you actually do. Be honest with yourself about this one — it's where the savings hide.

If you write just a few things a year

A greeting letter now and then, the occasional form, a simple list. Your needs are light, and you shouldn't be paying a premium for heavy features.

- A free option — Office on the web, Google Docs, or LibreOffice — may cover you completely.
- If you prefer real installed Office, the lower-cost Classic plan or a one-time purchase fits better than the top plan.
- You almost certainly don't need the AI helper.
- The 1 TB of storage is nice but rarely necessary for a light user.

If you're at the keyboard most days

You write, budget, track, and email constantly, maybe for a little business or a lot of family coordinating. The tools earn their keep for you.

- A full Personal or Family subscription makes sense — always-current apps plus real backup.
- The 1 TB of storage becomes genuinely valuable as a safety net.
- Copilot may save you real time, so the included AI can be worth it.
- If others in the house also use Office, Family is the clear bargain.

★ Not sure which camp you're in?

Tell me roughly what you do in a normal week — a few letters, or hours a day — and I'll point you to the plan that fits without overspending. Call or text (330) 200-8042.

How many people, how many devices?

Two simple questions settle most of the choice between Personal and Family. Answer these and you're nearly done.

How many people need their own Office?

If it's just you, Personal is fine. If a spouse, an adult child, or a grandchild would also use it, Family covers up to six people for only a little more — and each gets a private account, not a shared one.

How many devices will you use it on?

A single subscription lets each person sign in on several devices at once — a desktop, a laptop, a tablet, a phone. You don't buy a plan 'per computer' the way you once did. Sign in with your account and your apps come with you.

✓ Sharing beats buying twice

If your spouse also pays for a plan, you're very likely wasting money. One Family plan almost always costs less than two Personal plans — and keeps everyone's files separate and private.

Discounts worth asking for

A few groups can pay noticeably less. It never hurts to ask — the worst answer is no.

- **Students and teachers:** schools and colleges often provide Office free or cheap — ask the school's help desk before paying a cent.
- **Nonprofits and churches:** Microsoft offers steep discounts to qualifying organizations; worth a look for a club or congregation.
- **Holiday and back-to-school sales:** prepaid year cards at stores often beat Microsoft's own price around those times.
- **Bundles:** a new computer sometimes includes a free year — just set a reminder for when the free year ends, so renewal isn't a surprise.

! But be wary of 'too cheap'

If a stranger online offers Office for a tiny fraction of the real price, it's almost always a key that will stop working or a scam. Our guide on fake renewals and cheap keys explains why — buy only from Microsoft or a store you trust.

The auto-renew trap, and how to stay in control

Subscriptions renew themselves by default. That's convenient until it's a surprise charge — so let's make it your choice, not the computer's.

When you sign up, auto-renew is usually switched on, and Microsoft charges your card each year automatically. That keeps your apps working without a gap, which is good — as long as you still want the plan.

You can turn auto-renew off at account.microsoft.com under 'Services & subscriptions.' Turning it off doesn't cancel anything today; it just means the plan will end on its own at the renewal date unless you choose to continue. Many folks prefer that control.

✓ A calendar note beats a surprise

Whichever you choose, jot the renewal date on your calendar. A one-line reminder a couple of weeks ahead gives you time to decide on purpose instead of discovering a charge after it lands.

How to check or change your plan

Everything about your plan lives in one place. Here's the calm walk-through.

- ❑ Go to account.microsoft.com in any web browser.
- ❑ Sign in with the Microsoft account your Office uses (the email on that File > Account screen).
- ❑ Click 'Services & subscriptions' to see your plan, price, and renewal date.
- ❑ From there you can switch plans, turn auto-renew on or off, update your card, or cancel.
- ❑ If you change plans, your apps and files carry right over — you're changing the billing, not reinstalling anything.

★ I'll sit with you while you do it

If signing into the account page feels nerve-wracking, that's exactly the kind of thing I help with — on a visit or right over the screen. We'll go slowly and you'll end up in control of your own plan. Call (330) 200-8042.

Stepping down to a cheaper plan

If you're paying for more than you use, you can usually move to something cheaper without losing your work. Here's the honest picture.

You might drop from Family to Personal, from a Copilot plan to a Classic one, or down to Basic — or cancel entirely and lean on a free option. In every case your documents themselves are safe; what changes is which features and how much storage you keep.

The one thing to mind is that online storage. If you've saved a lot into OneDrive and you drop to a smaller plan, you'll want to make sure your files fit the new, smaller space — or keep copies on your own computer. Our [cancelling-without-losing-files](#) guide walks through it step by step.

✓ Downgrade, don't panic-cancel

If money's the worry, look at a cheaper plan before cancelling outright. Often a small step down saves most of the cost while keeping the apps and storage you actually rely on.

Buy from the right place

Where you buy matters as much as what you buy. A little caution here saves a lot of grief later.

Buy your plan from Microsoft's own website, or a prepaid card from a store you know — a big-box retailer, a warehouse club, a trusted online shop. Those are safe, and the card simply adds time to your account.

Be skeptical of 'lifetime Office for \$25' deals and of emails warning that your subscription is about to lapse and demanding you click to pay. The cheap keys tend to stop working, and the emails are a common scam. When in doubt, ignore the email and check your real account page instead.

! Real renewals don't rush you

Microsoft won't threaten you or demand immediate payment through a link in an email. If a message makes you feel panicked and hurried, that feeling is the scam working. Slow down and verify — our fake-renewal guide shows the tells.

A simple decision checklist

Run down this list and the right plan tends to reveal itself.

- ☐ I checked what I'm already paying for (File > Account).
- ☐ I counted how many people in my home need Office.
- ☐ I decided whether I want the AI helper or would rather save by skipping it.
- ☐ I thought about whether I'd use the 1 TB of storage.
- ☐ I considered whether a free option or a one-time purchase would do.
- ☐ I looked at today's actual price on Microsoft's website.
- ☐ I set a reminder for the renewal date.

✓ When two choices feel close

If you're torn between two plans, pick the cheaper one. Stepping up later is instant and painless; realizing you overpaid for a year is the frustrating direction to discover a mistake.

Common mistakes people make

A handful of avoidable slip-ups account for most of the money wasted on Office. Now you'll see them coming.

- **Two plans in one house** — spouses each paying for Personal when one Family plan would cost less and cover both.
- **Paying for the top plan** for light use, when a Classic plan or a free option would do the same letters.
- **Forgetting a free trial** that quietly turned into a paid year.
- **Chasing a too-cheap key** that stops working a month later.
- **Cancelling in a panic** without first making sure files in storage are safe.

★ A five-minute review can pay for itself

Folks are often surprised how much they save just by looking at that account page with a patient set of eyes. If you'd like me to look it over with you, that's a quick, no-pressure thing I'm glad to do. Call (330) 200-8042.

Switching plans without losing a thing

Changing plans sounds scarier than it is. Your documents don't live inside the plan — the plan just unlocks the apps and storage.

When you move from one plan to another, your installed programs stay put and your files stay where they are. You're updating a billing choice, not reinstalling or re-creating anything. In most cases you won't even notice a change beyond the price.

The single thing to handle with care is storage. If you're dropping to a plan with less online space, make sure everything important also has a copy on your own computer or a backup drive first. Do that, and switching is completely safe.

! One careful step before a big downgrade

Before cancelling or dropping to a much smaller plan, open OneDrive and check how much you've stored there. If it's more than the new plan allows, copy those files somewhere safe first. Our dedicated guide covers this in detail.

Questions to ask yourself before you buy

Honest answers to these four questions point almost everyone to the right plan.

Q: How much do I really write in a normal month?

A little points to a free option or the cheapest plan; a lot justifies a full subscription. Be honest rather than aspirational.

Q: Does anyone else in my home need Office?

If yes, the Family plan almost always beats buying separate plans, and it keeps each person's files private.

Q: Do I want the AI helper, or would I rather save?

If you won't use Copilot, a lower-cost Classic plan gives you the same Word and Excel for less money.

Q: Will I actually use a terabyte of online storage?

If you've got lots of photos and papers you'd hate to lose, yes — it's a fine backup. If not, don't pay a premium for it.

✓ There's no wrong answer

These questions aren't a test. They're just a way to match the plan to your real life instead of to a marketing chart. Whatever you land on, you can change it later.

Common Questions

The questions I hear most about Microsoft 365 plans, answered plainly.

Q: Is Microsoft 365 the same as Office?

Essentially yes — Microsoft 365 is the subscription name for the Office programs (Word, Excel, PowerPoint, Outlook) plus online storage and, on newer plans, the Copilot AI helper.

Q: Do I have to get the AI version?

No. There are lower-cost plans without Copilot, and you can turn Copilot off even on a plan that includes it. You should never pay for a feature you won't use.

Q: What's the cheapest way to get real Word and Excel?

Either a lower-cost Classic subscription, or a one-time purchase you keep for years. Which is cheaper depends on how long you'd use it — our buy-once guide does the math.

Q: Can I share one plan with my family?

Yes — the Family plan is built for exactly that: up to six people, each with a private account. It's usually the best value in the lineup.

★ Still not sure which to pick?

This is one of my favorite things to help with, because a few minutes of patient sorting often saves real money. Call or text me at (330) 200-8042 and we'll land on the plan that fits your home.

You don't have to do this alone

You just have to remember that a friendly, patient person is one call away.

I hope this guide made choosing a Microsoft 365 plan feel a little less daunting and a lot more doable. Keep it in a drawer with your other home papers, come back to a page whenever you need it, and don't worry about memorizing anything.

When you'd rather have a hand, that's exactly what I do. I come to your home, work at your pace, and never make you feel rushed or silly for asking. A first visit is a flat \$99, and for the parts that don't need me on-site — installing Office, sorting out a sign-in, setting up a document — I can often help right on your screen for \$49. Every visit comes with a 30-day, come-back-free guarantee.

★ Bill's Home Tech — real help, close to home

Call or text me at (330) 200-8042, or visit BillsHomeTech.com. Serving Atwater and all of Portage County. 30+ years of patient, plain-English tech help — and if you're ever not 100% happy with a visit, I'll make it right or refund it. That's a promise. — Bill

The Main Choices at a Glance

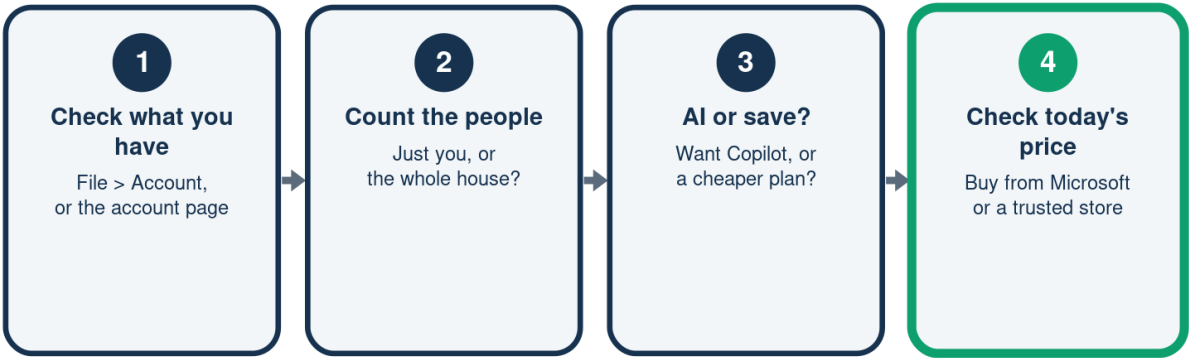
What each option gives you, in plain terms

	What you get	Who it's for
Personal	Apps, 1 TB, AI	One person
Family	Apps, 1 TB each	Up to 6 people
Classic	Same apps, no AI	Savers
Basic	Web apps, 100 GB	Light use
Free / buy once	No yearly fee	Light or 1 PC

Match the plan to what you actually do -- not to the biggest box.

Pick Your Plan in Four Steps

The calm way to land on the right one



Do these in order and the right plan nearly picks itself.

Subscribe vs. Buy Once

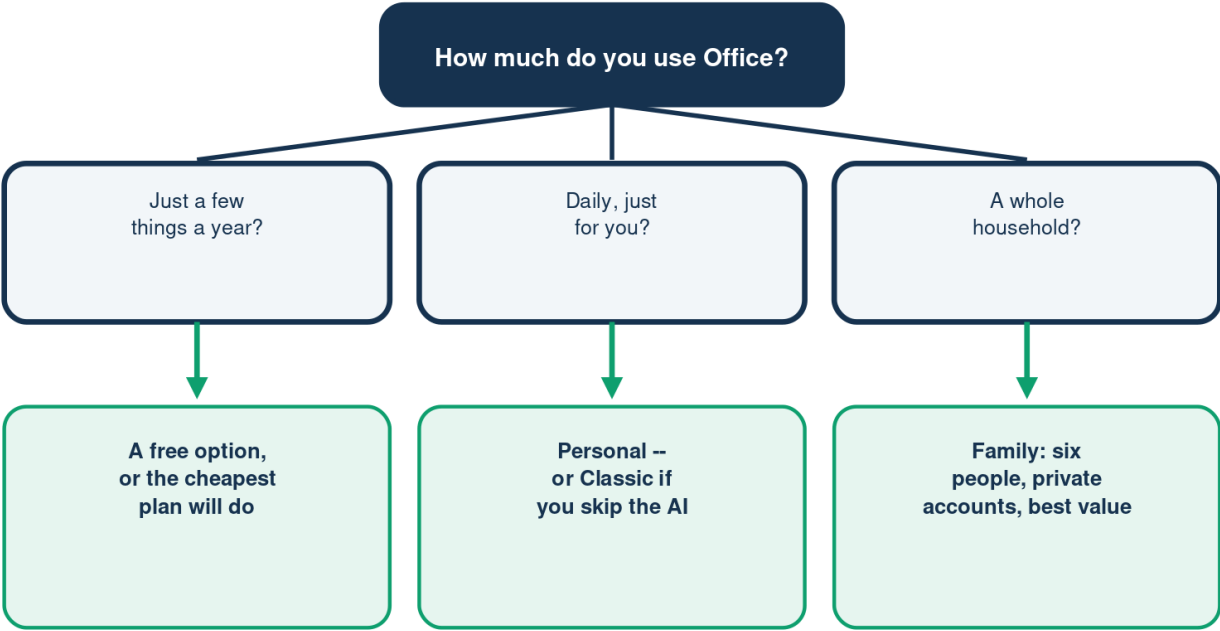
Two honest ways to get Office

	Subscription	One-time
Cost	Every year	Once
Storage	1 TB online	None included
AI helper	Included	Not included
Stays current	Always	That version

Subscribe for storage and updates; buy once to avoid a yearly bill.

Which Plan Fits You?

Let your honest habits point the way



Prices change -- always check Microsoft's current price before buying.

Illustration - a schematic, not to scale. Your setup may differ.



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A Note From Bill

A quick note from Bill.

I write these guides to make home tech a little less frustrating, and I do my best to keep every step accurate and up to date. Still, every home, device, and setup is a bit different, so I can't promise a guide will match yours exactly or fix your particular problem. These guides are for general information only — they're not professional, legal, or financial advice, and they don't replace your device's own manual or the manufacturer's instructions. Please go slow, use your own good judgment, and use everything here at your own risk. If a step involves electrical wiring, a gas appliance, a water heater, plumbing, or climbing a ladder — or if anything just doesn't feel safe — please stop and call a licensed professional (or give me a call at 330-200-8042). Bill's Home Tech and Bill Davis can't be responsible for any damage, data loss, or injury that comes from using these guides. Thanks for reading, and stay safe out there.

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