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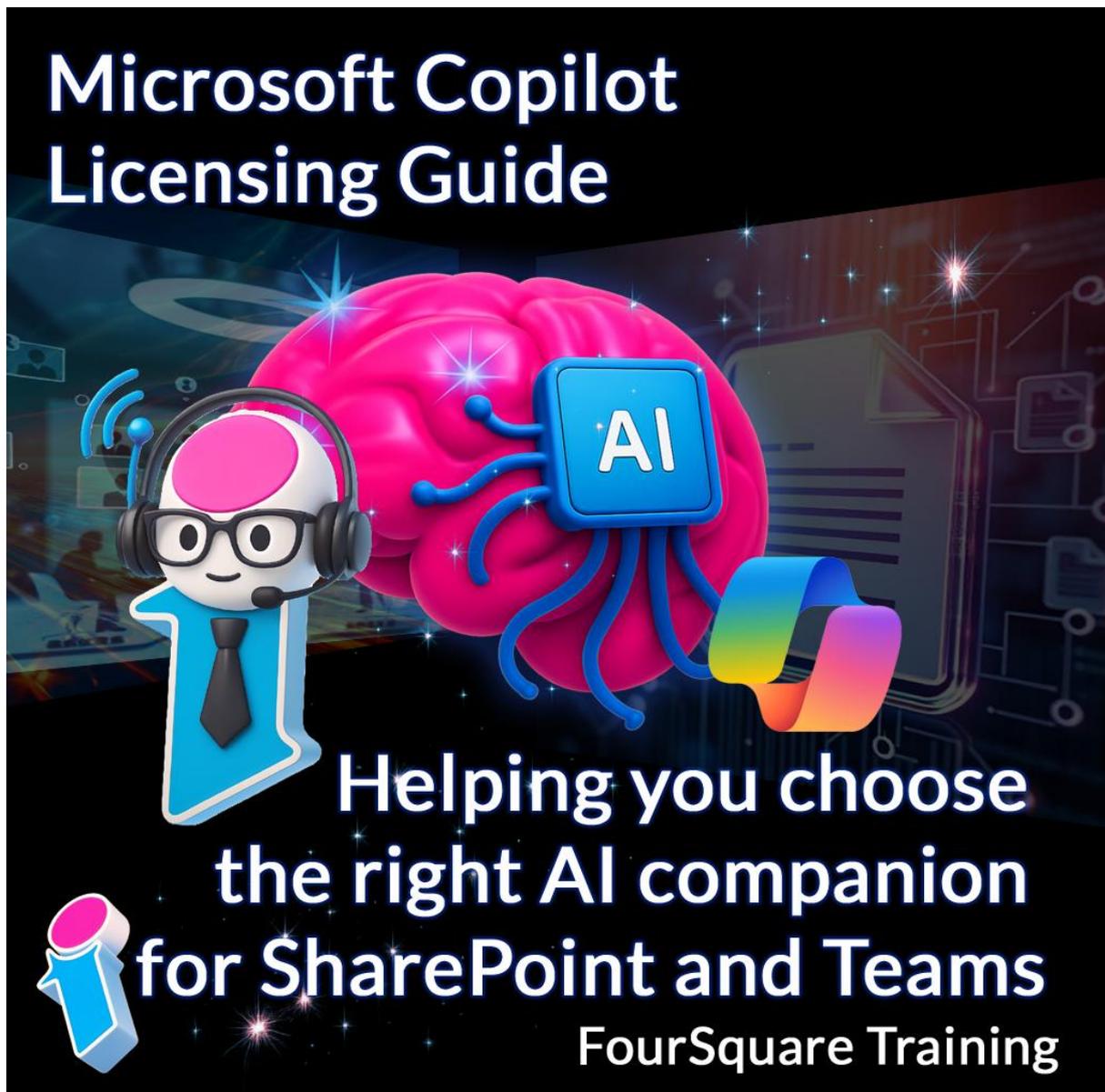
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Copilot Licensing Guide for SharePoint and Teams (2026)



1. Introduction

Microsoft Copilot brings powerful AI capabilities into everyday productivity apps. But with multiple licensing options, choosing the right fit for your organisation can feel confusing. This guide simplifies your choices, focusing on what's relevant for SharePoint and Teams customers.

2. Overview of Copilot Licensing Options

Here's a breakdown of the three primary Copilot offerings:

Licence Type	Description	Best For
Copilot for Microsoft 365	Built into select Microsoft 365 plans (e.g. E3/E5 with per user add-on licences). Integrates Copilot across apps like SharePoint, Teams, Word, Excel, Outlook and more.	Enterprise customers with Microsoft 365 licenses
Copilot with M365 Premium	Subscription-based option for individuals, adding Copilot features to desktop apps such as Word, Excel, PowerPoint and Outlook.	Freelancers, small business owners and power users
Copilot Studio	Low-code/no-code platform to build and customise Copilot experiences. Supports custom bot creation, workflows and integrations.	Developers, technical teams and solution architects

3. Feature Comparison

Compare key features across the three offerings:

Feature	Copilot for M365	Copilot with M365 Premium	Copilot Studio
App Integration (Word, Excel, etc.)	✓	✓	X
SharePoint & Teams Support	✓	X	✓ (via custom bots)
Bot Building & Automation	X	X	✓
Admin & Governance Controls	✓	X	✓
Microsoft 365 Plan Required	✓	X	X

4. Quick Decision Guide

Choose your path based on your role or needs:

- If you're part of an enterprise using Microsoft 365: choose **Copilot for Microsoft 365 per user**
- If you're an individual wanting AI in Office apps: try **Copilot with M365 Premium**
- If you're creating custom workflows or bots: explore **Copilot Studio**

5. Microsoft 365 Licence Add-ons

To access Copilot for Microsoft 365, organisations must hold qualifying Microsoft 365 plans such as E3 or E5. However, Copilot itself isn't included by default – it requires an additional paid Copilot license add-on per user licence. This add-on unlocks AI features across apps like Teams, SharePoint, Word, Excel, and Outlook. Admins should review their tenant licensing to ensure both the base M365 plan and the Copilot add-on are active for eligible users.

For full details, visit Microsoft's [Copilot licensing page](#).

6. Common Questions

Can I use Copilot Pro without Microsoft 365?

Copilot Pro was a standalone subscription for supported apps like Word and Excel. This functionality has now been replaced by the Copilot integration available with a Microsoft 365 Premium Plan as of December 2025.

Is Copilot Studio part of Microsoft 365?

No, it's a separate tool used for building custom Copilot bots and workflows.

Can I mix and match licensing options?

Yes, especially for hybrid teams. Just ensure users have appropriate access based on their role.