



The Filipino Offshore Leadership System





MANAGER'S TOOLKIT | MODULE 09

Offboarding in the Philippines

A Structured and Compliant Approach to Employee Separations

Philippine labor law is employee-protective and highly procedural. Proper classification, documentation, and strict adherence to due process are critical to minimizing legal and reputational risk.





What's In This Module

This module gives managers a structured and legally compliant approach to offboarding employees in the Philippines. Every separation type has different requirements. Every step has legal consequences. This module makes sure you do it right.

Section	What It Covers
Quick Start Guide	The five things every manager must do before initiating any separation.
Types of Separation	Voluntary resignation, fixed-term contracts, authorized cause, and just cause, with requirements for each.
Manager Responsibilities	What managers own in offboarding, and what HR owns.
Financial and Compliance Considerations	Final pay inclusions, the clearance process, and legal timelines.
Cultural Impact	How offboarding affects the departing employee and the remaining team in a Filipino context.
Risk Mitigation Checklist	A pre-action checklist to confirm compliance before proceeding.
Offboarding Conversation Framework	How to conduct the offboarding discussion with professionalism and empathy.
Sample Conversation Scripts	Fully scripted examples for each separation type.
Knowledge Transfer Guide	How to capture institutional knowledge and protect operational continuity.
Internal Communication Template	How to communicate a departure to the remaining team.
Clearance Tracker	A step-by-step tracker for completing the clearance process.



QUICK START

Quick Start Guide for Managers

Before initiating any separation, run through these five steps. Do not skip any of them.



Intent alone is not sufficient. Process determines compliance. A well-intentioned separation handled without proper process may result in reinstatement orders, backpay liabilities, and legal disputes.

Step	Action	Why It Matters
1	Do not communicate termination independently.	Any communication before HR alignment creates legal exposure. The employee must hear the correct information, in the correct way, at the correct time.
2	Consult HR immediately.	HR determines the correct separation type, the required process, and the documentation needed. Early coordination prevents costly mistakes.
3	Identify the correct separation type.	Each separation type has different legal requirements, timelines, and financial obligations. Getting this wrong exposes the organization to liability.
4	Ensure documentation is complete, factual, and objective.	Documentation is the foundation of every defensible separation decision. If it is not documented, it is difficult to defend.
5	Understand compliance requirements and required timelines.	Late notices, missing documents, or skipped steps can invalidate the action regardless of its merit.

SEPARATION TYPES

Types of Separation

Each separation type has distinct legal requirements. Correctly classifying the separation is the first and most important step. Involve HR before communicating anything to the employee.

A. Voluntary Resignation

Requirement	Detail
Notice period	Generally at least 30 days written notice, unless the contract specifies otherwise.
Manager action	Acknowledge receipt of the resignation in writing immediately. Do not delay.
Transition planning	Begin knowledge transfer and handover planning as soon as the resignation is received.
Separation pay	Not required unless contractually agreed or if the resignation is due to employer fault.

Sample acknowledgment language:

Manager: *Thank you for informing me of your decision. I acknowledge receipt of your resignation effective [date]. We will begin the transition process and HR will be in touch to guide you through the offboarding steps. I appreciate the work you have contributed to the team.*





B. End of Fixed-Term Contract

Requirement	Detail
Contract end date	Employment ends on the agreed contract end date. Atticus issues the End of Fixed-Term Contract notice to the hosted employee.
Termination process	No termination process is required if the contract is valid and properly structured.
Preparation	Final pay and documentation should be prepared in advance of the end date.
Key risk	If the employee was allowed to continue working beyond the contract end date without a new contract, they may be considered regularized. Coordinate with HR before the contract expires.

If the employee continues working after the contract end date without a new agreement in place, this may create an implied regular employment relationship. Coordinate with HR before the contract expires to prevent this.





C. Employer-Initiated: Authorized Causes

Authorized causes include: Redundancy, Retrenchment, Closure, Installation of Labor-Saving Devices.

Requirement	Detail
Written notice timeline	At least 30 days prior to effectivity, in writing, to both the employee and DOLE. DOLE notification is handled by Atticus Solutions HR.
Notice period pay	The 30-day notice period is considered paid.
Separation pay	Mandatory for employees under full-time engagement. Amount depends on the cause.
Documentation	Must clearly justify the business necessity. Vague justifications are challenged in labor disputes.

Authorized Cause	Separation Pay Required
Redundancy	One month pay per year of service (or one month pay, whichever is higher)
Retrenchment	One-half month pay per year of service (or one month pay, whichever is higher)
Closure (not due to serious losses)	One month pay per year of service (or one month pay, whichever is higher)
Installation of Labor-Saving Devices	One month pay per year of service (or one month pay, whichever is higher)

Never communicate an authorized cause separation to the employee before HR has confirmed the process and the DOLE notification requirement has been addressed. Managers must not announce this independently.





D. Employer-Initiated: Just Cause

Just cause grounds include: Serious Misconduct, Fraud, Willful Disobedience, Gross Neglect of Duty, Commission of a Crime, and other analogous causes.

Strict due process is required under the Twin Notice Rule:

- **First Notice:** Notice to Explain (NTE) stating the specific charge and giving the employee at least 5 days to respond.
- **Opportunity to Respond:** Employee submits written explanation, and an Administrative Hearing is conducted if needed.
- **Second Notice:** Notice of Decision stating the penalty and its factual and legal basis.

Failure to follow the Twin Notice Rule may invalidate the termination regardless of the merits of the case. Even if the employee is clearly guilty of misconduct, a procedural defect entitles them to nominal damages and may result in a finding of illegal dismissal.



MANAGER ROLE

Manager Responsibilities in Offboarding

Manager Owns	HR Owns
Initiating HR coordination before any action	Determining the correct separation type and legal process
Maintaining confidentiality throughout the process	Preparing all formal notices (NTE, Notice of Decision, Contract End Notice)
Supporting transition and knowledge transfer planning	DOLE notification for authorized cause separations
Conducting the offboarding conversation professionally	Final pay computation and release
Documenting all relevant performance and conduct records	Clearance processing and administrative closeout
Preparing the internal communication plan	Ensuring all legal and compliance requirements are met

Due process must never be skipped, even in clear misconduct cases. The strength of the case does not remove the obligation to follow process.





COMPLIANCE

Financial and Compliance Considerations

Final Pay Inclusions

Component	Applicability
Salary up to the last working day	All separations
Pro-rated 13th month pay	Applicable to full-time employees. Calculated based on months worked in the calendar year.
Separation pay	Required for authorized cause separations. Not required for just cause or voluntary resignation unless contractually agreed.
Unused leave conversion (if applicable)	Depends on company policy and employment contract.
Any other contractually agreed final entitlements	Refer to the employment contract and company policy.

Final pay is released within 30 days from the separation date, subject to completion of clearance. Under DOLE guidelines, final pay should be released within 30 days from the date of separation or from the date all clearance requirements are met, whichever is later.





Clearance Process

Final pay processing commences only after clearance has been completed. The clearance process must be initiated immediately after the separation decision is made.

Clearance Requirement	Person Responsible	Status
Return of company-issued equipment (laptop, phone, access cards, etc.)	Employee and Manager	
Revocation of system and facility access	IT / Manager	
Settlement of financial accountabilities	Finance / HR	
Completion of knowledge transfer and task handover	Employee and Manager	
Submission of all pending deliverables	Employee	
Exit interview conducted	HR / Manager	
All HR documentation submitted and filed	HR	



CULTURAL CONTEXT

Cultural Impact of Offboarding in the Philippines

Understanding cultural dynamics is essential to managing offboarding effectively and preserving team stability. A company that adheres to due process and complies with local laws promotes a culture of fairness, objectivity, and inclusivity. How a separation is handled speaks loudly to the employees who remain.

1. Respect for Authority

Filipino employees may avoid confrontation or direct disagreement with managers. Silence during an offboarding conversation does not necessarily indicate agreement or understanding.

What Managers Should Do	Why It Matters
Invite questions explicitly	Employees may not ask unless given clear permission. Silence is often deference, not clarity.
Confirm understanding directly	Ask the employee to summarize the key next steps. This removes ambiguity without being confrontational.
Avoid assuming acceptance	An employee who nods and stays quiet may still be confused or distressed. Check in again after the conversation.

2. Importance of Dignity and Saving Face

Public or abrupt termination can significantly damage morale and trust in Filipino teams. How the conversation is handled will be remembered, not just by the departing employee but by the entire team.

Best Practice	What to Avoid
Conduct the conversation privately, never in a group or open setting	Calling the employee into a meeting in front of the team
Use calm, neutral, and professional language throughout	Emotional, accusatory, or humiliating language
Acknowledge the difficulty of the situation with genuine empathy	Minimizing the impact or rushing through the conversation
Give the employee time to process before moving to logistics	Immediately handing over clearance forms during the emotional moment



3. Relationship-Oriented Workplace

Workplace relationships are highly valued in the Philippines. Sudden separations create anxiety among remaining employees. How the departure is communicated to the team is as important as how it is communicated to the departing employee.

- Prepare a controlled internal communication plan before the offboarding conversation.
- Avoid oversharing confidential details about the reason for departure.
- Communicate to the team in a timely and measured way to prevent speculation.
- Acknowledge the departing employee's contributions when appropriate.

The remaining team is watching how this is handled. A respectful, professionally managed offboarding signals that the organization treats people with dignity. This directly affects the trust and psychological safety of the employees who stay.





TOOL 02

Offboarding Conversation Framework

The offboarding conversation is one of the most sensitive a manager will have. It requires directness, clarity, empathy, and professionalism in equal measure. Prepare for it. Do not wing it.

Before the Conversation

- Confirm with HR that all documentation is in order.
- Choose a private setting. Never conduct this conversation in an open or shared space.
- Have the key facts ready: the decision, the effective date, and the next steps.
- Prepare for an emotional response. Be ready to pause and give the employee space.
- Do not take calls or check messages during the conversation.





During the Conversation

Principle	What It Looks Like
Be direct and factual	State the decision clearly at the start. Do not build up to it with excessive preamble. The employee should understand what is happening within the first minute.
Reference documented evidence	When appropriate, reference the documented basis for the decision. This removes subjectivity and protects the manager.
Avoid debating or over-explaining	Once the decision is communicated, do not re-argue the case. The conversation is about clarity and next steps, not relitigating the past.
Outline next steps clearly	Tell the employee exactly what happens next: who to coordinate with, what the timeline is, and who their point of contact is for offboarding logistics.
Maintain professionalism and empathy	Acknowledge the difficulty. Wish the employee well. Be human. The employee may be upset. That is expected and acceptable.

After the Conversation

- Inform HR immediately after the conversation concludes.
- Initiate the clearance process.
- Prepare and send the internal team communication if appropriate.
- Document the conversation briefly: date, who was present, key points communicated, and the employee's response.





TOOL 03

Sample Offboarding Conversation Scripts

Use these as starting points. Adapt the language to your context and relationship. Never read directly from a script. Know the key points and speak naturally.

Scenario 1: Performance-Based Termination (Just Cause)

Manager: *Thank you for coming in. I want to have an honest and direct conversation with you today.*

Manager: *Based on our KPI dashboard and the performance discussions we have had over the past four months, you have not consistently met your targets in spite of the support that has been provided to you. Following this, management has made a decision about your continued employment with us.*

Manager: *Please complete your handover to [assigned POC], including endorsement of all files, meetings, and ongoing project details. HR will send you a separate email to guide you through the offboarding process. For any questions and logistical arrangements, please coordinate with the appropriate contacts as indicated in HR's email.*

Manager: *I understand that this is difficult news. I genuinely wish you success in your next endeavors. We will provide you with all the necessary documents and support to assist you in your next steps.*

Pause. Give the employee space to respond.

Answer questions factually. Do not debate the decision.





Scenario 2: Voluntary Resignation Acknowledgment

Manager: *I have received your resignation and I want to acknowledge it formally today. I respect your decision and I appreciate you giving us the appropriate notice period.*

Manager: *Over the next 30 days, let's make sure we have a solid handover plan in place. I want to set up time this week to map out what needs to be transitioned and to whom. HR will also reach out to you with the offboarding process and your final pay details.*

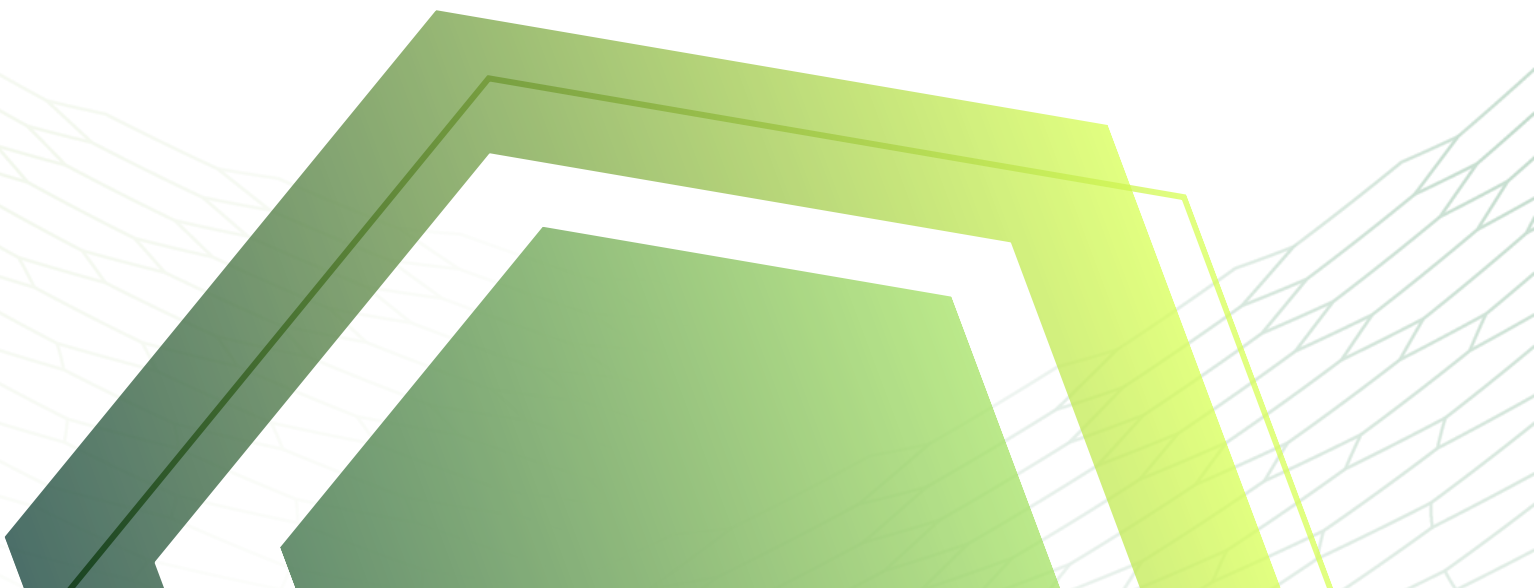
Manager: *I want to say that working with you has been valuable. I appreciate the contributions you have made to this team and I wish you well in what comes next.*

Scenario 3: End of Fixed-Term Contract

Manager: *As we discussed when you joined, your contract with us is coming to its end date on [date]. I wanted to have this conversation to confirm that timeline and to start planning for the transition.*

Manager: *HR will be in touch to walk you through the offboarding process and your final pay details. On my end, I would like to schedule time this week to begin the knowledge transfer and handover.*

Manager: *Thank you for your contributions during your time here. It has been a pleasure working with you.*





Scenario 4: Redundancy (Authorized Cause)

Manager: *I want to be direct with you about a significant change that affects your role. As part of a business decision at the organizational level, your position is being made redundant. This decision is not a reflection of your performance or your contributions to the team.*

Manager: *This means that your last working day will be [date]. You will receive your separation pay and final pay as required under Philippine labor law. HR will send you a detailed email outlining everything you are entitled to and the process from here.*

Manager: *I know this is difficult news and I want to acknowledge that. I am grateful for the work you have done here and I will support you however I can through this transition.*

Give the employee time to process. Answer questions factually. Do not make promises about separation terms that HR has not confirmed.





TOOL 04

Knowledge Transfer Guide

Effective knowledge transfer protects operational continuity and preserves institutional knowledge. Start the knowledge transfer process as early as possible in the offboarding timeline.

Knowledge Transfer Plan Template

Area	Key Information to Transfer	Handover Recipient	Target Date	Completed
Ongoing projects	Status, key stakeholders, open items, next steps			
Client relationships	Key contacts, communication history, preferences			
Recurring tasks	Frequency, how-to, tools used			
System access and tools	What systems, login details (to IT), workflows			
Pending deliverables	What is outstanding, deadline, dependencies			
Internal processes	Undocumented processes that only this person knows			
Team dynamics and context	Useful context the incoming person should know			





Knowledge Capture Form

Use this to capture key institutional knowledge from the departing employee. Complete this before their last working day.

Employee Name and Role:

Last Working Day:

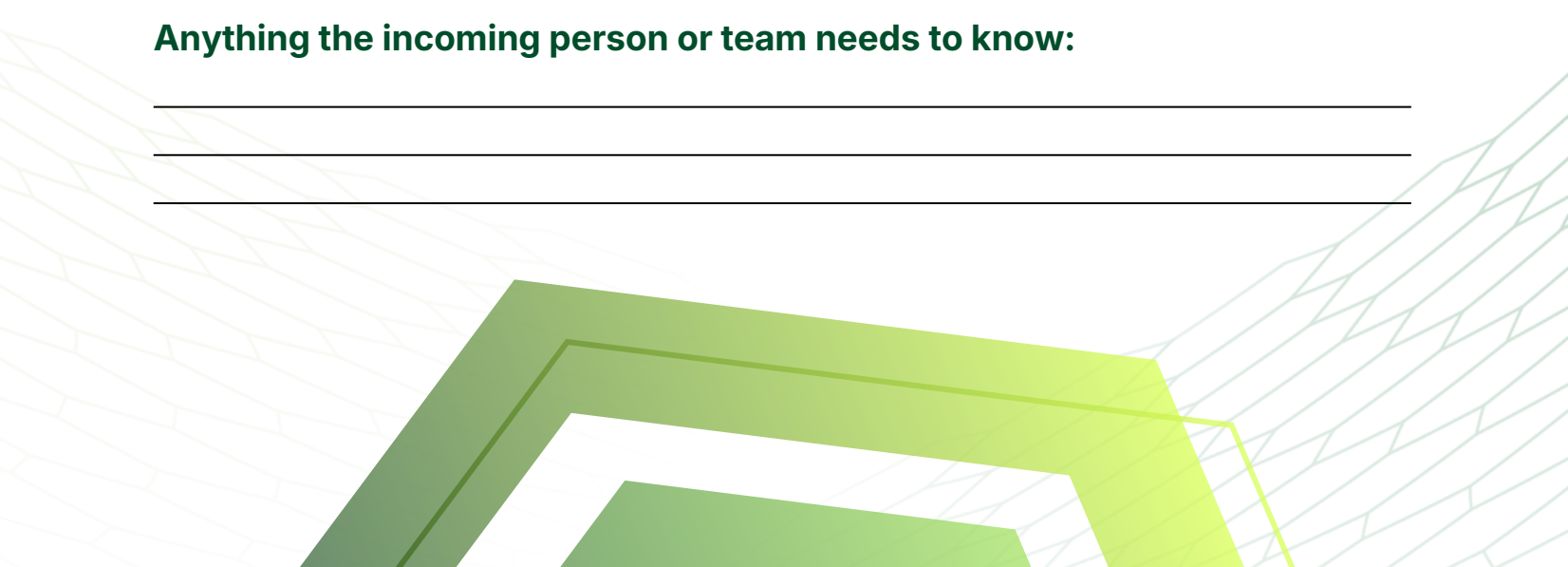
Key ongoing projects and their current status:

Key client or stakeholder relationships to hand over:

Recurring tasks and how they are completed:

Systems, tools, and processes only this employee manages:

Anything the incoming person or team needs to know:





TOOL 05

Internal Communication Template

How you communicate a departure to the remaining team matters. A clear, calm, and timely message prevents speculation and preserves stability. Coordinate the wording and timing with HR before sending.

Keep the message brief. State the fact of the departure, express appreciation where appropriate, and communicate any transition arrangements. Do not share the reason for the departure unless it is publicly known and appropriate to share.



Template: Voluntary Resignation or Contract End

Subject: Team Update

Hi team,

I wanted to let you know that [Employee Name] will be leaving the team on [date]. [He/She/They] has decided to pursue a new opportunity.

We are grateful for [Employee Name]'s contributions during [his/her/their] time with us. [He/She/They] has made a real impact on [specific contribution if appropriate].

Over the coming weeks, [Employee Name] will be transitioning [his/her/their] responsibilities to [recipient name or 'the team']. If you have any questions about ongoing work or projects, please reach out to [POC].

Please join me in wishing [Employee Name] all the best.

[Manager Name]



Template: Employer-Initiated Separation (Where Appropriate)

Subject: Team Update

Hi team,

I want to share that [Employee Name]'s last day with the team will be [date].

We appreciate [his/her/their] contributions during [his/her/their] time here and wish [him/her/them] well.

In the meantime, [specific transition arrangement]. If you have questions about any ongoing work, please reach out to [POC].

Thank you for your continued focus and commitment.

[Manager Name]

Do not share the reason for an employer-initiated separation in internal communications unless HR has confirmed it is appropriate to do so. Oversharing may create legal exposure and damages the dignity of the departing employee.





TOOL 06

Clearance Tracker

Use this tracker to manage the clearance process from separation to final pay release. Complete each item in order. Final pay processing commences only after all clearance items are completed

Employee Name:

Separation Type:

Last Working Day:

Target Final Pay Release Date:

Clearance Item	Responsible Party	Date Completed	Notes
Company laptop returned	Employee / Manager		
Company mobile phone returned	Employee / Manager		
Access cards and physical keys returned	Employee / Manager		
Any other company-issued equipment returned	Employee / Manager		
System access revoked (email, tools, platforms)	IT / Manager		
Facility access revoked	IT / Admin		
Financial accountabilities settled	Finance / HR		



Clearance Item	Responsible Party	Date Completed	Notes
Pending deliverables submitted	Employee		
Knowledge transfer completed	Employee / Manager		
Knowledge Capture Form completed	Employee / Manager		
Exit interview conducted	HR / Manager		
All HR documentation submitted	HR		
Internal communication sent	Manager		
Final pay computation completed	HR / Finance		
Final pay released	HR / Finance		

Final Manager Checklist

- All clearance items completed and signed off.
- Knowledge transfer completed and documented.
- Internal communication sent to the team.
- HR notified that clearance is complete.
- Exit interview feedback reviewed.
- Any process improvements noted for future onboarding.

Compliance protects you legally. Respectful handling protects your employer brand. Documentation protects your decision. All three matter equally in the Philippines.



The Filipino Offshore Leadership System

Module 01 | The Filipino Offshore Leadership System

Module 02 | The Employee Relationship Cycle

Module 03 | Onboarding and the First 6 Months

Module 04 | Performance Management

Module 05 | Employee Engagement

Module 06 | Career Management

Module 07 | Total Rewards and Compensation

Module 08 | Employee Relations & Labor Management





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