

Building Payment Schedule: Secure your Payments on Time

A construction payment schedule is an essential part of the construction industry, ensuring that all parties involved are paid on time for their services. Without it, payments may be delayed or disputed, causing unnecessary stress and costs for everyone involved. This article will provide an overview of what a payment schedule is, why it's important for construction projects, and the legal requirements for preparing and serving one. We'll also discuss how builders can protect themselves under the Security of Payment Act and negotiate better with their contractors by understanding how a payment schedule works.

Parties involved in the Payment Schedule

In the process of issuing a payment schedule, there are two main parties involved: the claimant and the respondent.

The claimant is the party who has carried out construction work or provided related goods and services and is seeking payment for their work through a payment claim. This can include contractors, subcontractors, suppliers, and consultants.

The respondent, on the other hand, is the party who is required to pay for the construction work and becomes liable for the payment. This is typically the builder or developer. When a payment claim is issued, the respondent must reply to it through a payment schedule.

It is important for both parties to clearly communicate their roles and responsibilities throughout the construction payment schedule process to ensure a smooth and efficient payment process.

Why issue a Payment Schedule?

If you are a respondent, a payment schedule would protect you from dodgy claimants who may claim higher for the work they've done. Making a payment schedule will help you review their claim and give options on how you can repay your contractor.

Else, for claimants, a payment schedule is also important because it states when you can receive payment for your work. If the builder doesn't pay you within their set schedule, it can be a reason for adjudication.

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This is part of your right to Security of Payment. Because if the respondent fails to reply, you can suspend their work or worse, sue them instead.

Parts of a Payment Schedule

As prescribed by the [Security of Payment Act](#), a payment schedule indicates the following items:

- The related payment claim;
- The time frame you would want to pay the claim;
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But in case you don't agree with the claimed amount, you would have to give an explanation for any of these scenarios:

- If you plan to pay less than the amount in the claim;
- If you plan to not pay any or all of the amount in the claim or;
- If you want to withhold any or all of the claimed amount.

Prepare evidence that can support your stated explanations in the payment schedule. After indicating these in your payment schedule, you would need to give the document to the claimant. Do post, deliver or fax within 10 business days after receiving the claim.

Legal Requirements for Payment Schedules in NSW

In NSW, payment schedules must comply with the Security of Payment Act 1999 (NSW). The Act outlines specific requirements for payment schedules in NSW, which may differ from other states and territories in Australia.

One key requirement is that the construction payment schedule must be provided within 10 business days after receiving a payment claim. If the payment schedule is not provided within this timeframe, the claimant may be entitled to recover the full amount claimed.

In addition to this, payment schedules in NSW must:

- Identify the payment claim to which it relates
- Indicate the amount of payment that the respondent proposes to make
- State the respondent's reasons for withholding payment

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It is important to note that failure to comply with these legal requirements can have serious consequences. If a payment schedule is not served within the required timeframe, the respondent may become liable to pay the claimed amount in full. Additionally, failure to include all required information in the payment schedule may render it invalid, leaving the respondent exposed to legal action.

Therefore, it is important to ensure that construction payment schedules in NSW are prepared in accordance with the legal requirements set out in the Security of Payment Act 1999 (NSW).

Payment Schedule Template for NSW

Payment schedules must comply with the legal requirements of the Security of Payment Act in the relevant state or territory. In NSW, there are specific requirements for the format and content of payment schedules. To ensure compliance, it is recommended to use a payment schedule template that is tailored to NSW regulations.

The payment schedule template NSW should include the following information:

- The name and address of the respondent
- The name and address of the claimant
- A reference to the relevant payment claim
- The amount claimed in the payment claim
- The amount proposed to be paid by the respondent
- The reasons for withholding payment, if any
- The date the payment schedule was prepared
- The signature of the respondent or an authorized representative.

It is important to accurately and completely fill out the payment schedule template to avoid disputes or legal issues. Any errors or omissions in the payment schedule can result in non-compliance with the legal requirements of the Security of Payment Act. By using our downloadable payment schedule template, you can ensure compliance and avoid potential issues.

Important Time Periods in Building Payment Schedule

As much as possible in making or receiving a payment schedule, always take note when did you made or receive your payment claim.

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One common thing you should take note is the time specified in the contract. This includes when are the exact date/s you should make the payment.

If there is no indicated time, then do the payment schedule 10 business days after the claim's issue. This is what Security of Payment prescribes.

After 10 days, and you didn't reply whether you agree or disagree with the amount in the claim, brace yourself. The claimant can file for adjudication and take it to an adjudicator to solve your issues.

If you plan to pay less than the amount in the claim;
If you plan to not pay any or all of the amount in the claim or;
If you want to withhold any or all of the claimed amount.

Prepare evidence that can support your stated explanations in the payment schedule. After indicating these in your payment schedule, you would need to give the document to the claimant. Do post, deliver or fax within 10 business days after receiving the claim.

Common Mistakes

If you are not careful enough, you can easily get in legal trouble. Here are some common mistakes that you should avoid:

Failing to identify the relevant Sections of the law.

To make sure that you are paying your contractor right, you must know how to comply with [Security of Payment](#). If you don't, you're probably heading to an adjudication case.

Failing to assess the claim with the contract.

The respondent forgets to double-check if the amount in the payment claim matches with the one specified in the contract. If this happens, you get to overlook if you are paying more than the agreed amount.

Failing to show evidence to the reduce the claim amount.

For example, if you are proposing to pay lower than what the claim says, better back it up with evidence. If you don't have a strong evidence to back up your reasons why then expect to pay the original amount.

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Best Practices

To avoid these mistakes, take these practices to heart. These can help you avoid worse payment situations. These best practices are:

Review relevant terms in the contract. Double-check the dates when you should expect a payment claim and issue a payment schedule.

Provide sufficient evidence. Look for pictures, reports, product specifications, or any document that can support your explanations.

Provide the right price calculations. You should provide sufficient information and the right computations needed to value construction work.

Need Help Making a Payment Schedule?

In some cases, it may be beneficial to seek assistance from a payment schedule professional. This is particularly true for larger projects or when dealing with complex payment disputes. A payment schedule professional can provide expert guidance on how to complete a payment schedule correctly and ensure compliance with legal requirements.

To find a payment schedule professional, start by asking for recommendations from colleagues or other industry professionals. You can also search online for payment schedule services in your area. When choosing a professional, look for someone with experience in the construction industry and a strong track record of success in payment dispute resolution.

Once you have selected a payment schedule professional, be sure to communicate clearly with them about your project and payment requirements. This will help ensure that your payment schedule is completed accurately and on time. Additionally, be sure to ask any questions you may have about the payment schedule process, so that you can make informed decisions throughout the project.

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