

Payment Schedule: What to Expect

Under the *Building and Construction Industry Security of Payment Act 1999* (NSW), also known as the Security of Payment Act ("SOPA"), progress payments for construction work performed, or for related goods and services provided, may be recovered by serving a Payment Schedule. More often than not though, the persons required to pay, disagree with the claimed amount. In such case, SOPA requires them to serve a Payment Schedule. Find out everything you need to know about building and construction payment schedules here.

What is a Payment Schedule?

A Payment Schedule is a written reply to a [Payment Claim](#)

As you know, under the Security of Payment Act ("SOPA"), the [process flow](#) for recovering progress payments involves:

1. Preparing a valid Payment Claim.
2. Validly serving the Payment Claim on the Respondent (the person you're recovering progress payments from).
3. After receiving the Payment Claim, the Respondent may then choose to:
 - a. pay your claimed amount in full, or
 - b. propose to pay a lesser amount, in which case, they should reply with a Payment Schedule.

Payment Schedule: Quick Facts

If the Respondent contests the claimed amount in your Payment Claim, they need to serve a Payment Schedule, which should state the amount they believe they owe and that they propose to pay. This amount is called the "scheduled amount." If the Respondent contests the claimed amount in your Payment Claim, they need to serve a Payment Schedule, which should state the amount they believe they owe and that they propose to pay. This amount is called the "scheduled amount."

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1. Validity of the Payment Schedule

To determine whether the Payment Schedule is valid, check if the following are present:

1. a statement identifying the **payment claim** to which it relates
2. the **scheduled amount** (the amount Respondent proposes to pay)
3. if the scheduled amount is less than the claimed amount, a statement explaining why, and the **reasons** for withholding

If all of the above are present, the Payment Schedule is valid, regardless of its form.

2. When Should Respondent Send Me Their Payment Schedule?

If the Respondent has no intention of paying the claimed amount in full by the due date in the construction contract, they are required to send ("serve") a Payment Schedule within **10 business days** from receipt of the Payment Claim.

Sometimes, construction contracts provide for a shorter period of time for the Respondent to serve the Payment Schedule. If that's the case, the timeframe provided in the construction contract applies.

3. How Should Respondent Serve the Payment Schedule?

The Respondent may validly serve the Payment Schedule at your ordinary place of business, through any of the following means:

- by courier
- by express post
- by platinum post
- by ordinary post
- by email
- in person
- by any other means
- provided in your
- construction contract

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4. What if Respondent Doesn't Serve a Payment Schedule?

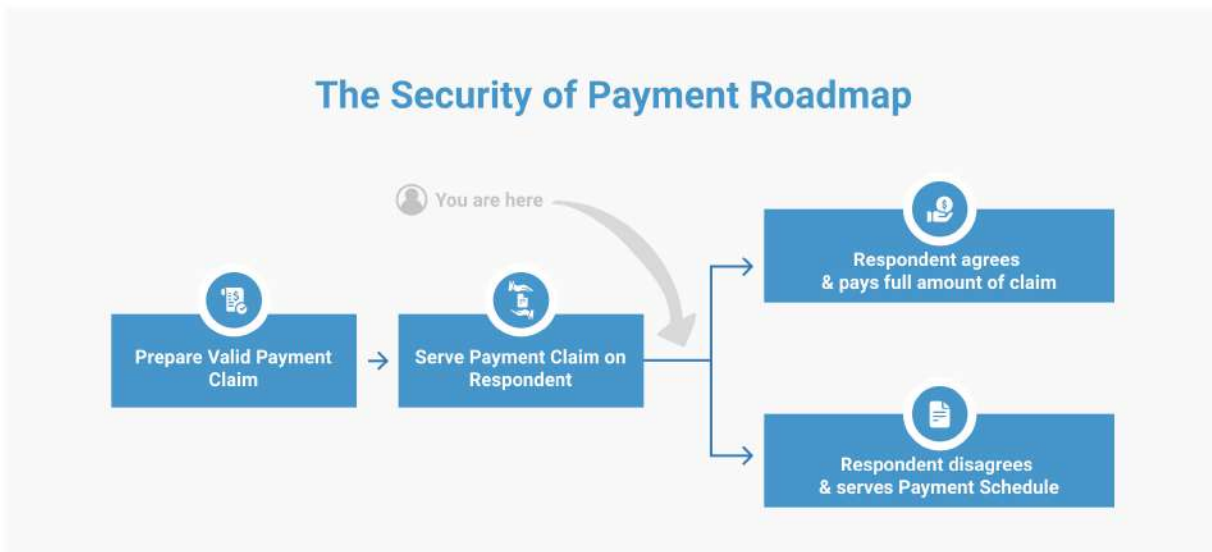
The Respondent then becomes liable to pay the entire claimed amount in the Payment Claim, on the due date indicated in your construction contract.

If the due date rolls around and the Respondent still doesn't pay, you have the option of:

- (a) filing a collection case in court (enforcement proceedings), or
- (b) commencing adjudication proceedings, where you will be required to give Respondent another chance to serve a Payment Schedule.

How We Can Help

Contracts Specialist has over 10 years experience in debt recovery and Security of Payment. Should you wish to learn more about how to enforce your claim under the Act, or should you require assistance in facilitating your payment claims, feel free to give us a call. Your first consult is free.



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