

## All About the Payment Schedule

Under the *Building and Construction Industry Security of Payment Act 2002* (SOP Act), you have a right to claim progress payments through the simple expedient of serving a valid Payment Claim. Once you've done that, you can expect to be paid the full amount of your claim, or you can expect to receive a Payment Schedule. In this article, we let you in on everything you need to know.

### What is a Payment Schedule?

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

This is supposed to be sent to you by the Respondent (the person who owes you progress payments) when they do not agree with the amount claimed in your Payment Claim. It states how much they are willing to pay, and why.

### What to Expect

If you have payment claims for construction work performed, or for related services rendered, or for related goods supplied, and you have served on the Respondent a valid Payment Claim, one of two things may happen within the [Security of Payment](#) scheme:

- 1) they agree with your claimed amount, and pay said amount by the due date in your construction contract; or
- 2) they don't agree with your claimed amount, in which case, they are required to reply with a Payment Schedule.

### How Do I Know if their Payment Schedule is Valid?

There is no required form for its validity; however, you need to check if the following information are present:

- ✓ the **Payment Claim** to which the Payment schedule relates
- ✓ the amount Respondent proposes to pay (a.k.a. "**scheduled amount**")
- ✓ the **reason/s** why the scheduled amount is less than the claimed amount
- ✓ any amount that the responded thinks should be **excluded**

As long as the information above are included in the Respondent's Payment Schedule, it's valid.

## We Will Guide You With The Right Legal Advice.

Construction Lawyer Melbourne Is A Website Operated By Contracts Specialist Australian Solicitors And Attorneys. As Specialist Building Lawyers, We Deal With Building Disputes, Construction Contracts, And Security Of Payment Issues.

## What Amounts May Be Excluded?

There are amounts which should not be included in your Payment Claim; and if you include them, the Respondent may list them as "excluded amounts" in their Payment Schedule:

- ☑ Any amount that relates to a variation of the construction contract that is not a claimable variation.
- ☑ Any amount (other than a claimable variation) claimed under the construction contract for compensation due to the happening of an event, including any amount relating to latent conditions, time related costs and changes in regulatory requirements.
- ☑ Any amount claimed for damages for breach of the construction contract or for any other claim for damages arising under or in connection with the contract.
- ☑ Any amount in relation to a claim arising at law other than under the construction contract.

## When Should They Send Me the Payment Schedule?

If the Respondent disagrees with your claimed amount, they have **10 business days from receipt of your Payment Claim**, to serve their Payment Schedule (unless your construction contract allows less time).

If they miss this 10-business day deadline (or the deadline stated in your contract), they will be liable to pay the full amount claimed in your Payment Claim. Enforcement of this full amount may be via court or via adjudication.

## How Should They Send Me the Payment Schedule?

Respondent may validly "serve" their Payment Schedule through any of the following means

- ☑ by delivering it to you, in person
- ☑ by lodging it at your ordinary place of business, during business hours
- ☑ by sending it via post to your ordinary place of business
- ☑ by faxing it to your ordinary place of business
- ☑ by any other means specified in your construction contract

## We Will Guide You With The Right Legal Advice.

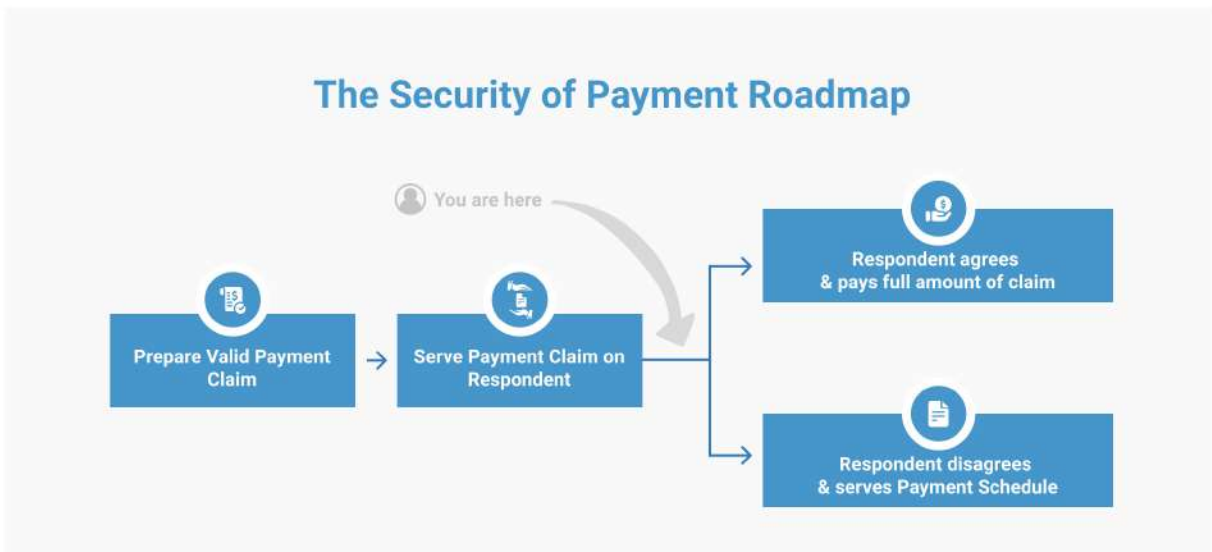
Construction Lawyer Melbourne Is A Website Operated By Contracts Specialist Australian Solicitors And Attorneys. As Specialist Building Lawyers, We Deal With Building Disputes, Construction Contracts, And Security Of Payment Issues.

## What if They Don't Serve a Payment Claim, and Also Refuse to Pay the Claimed Amount?

- ✔ As mentioned earlier, if the Respondent does not agree with your claimed amount, they should serve a Payment Schedule.
- ✔ If they don't serve a Payment Schedule, the entire amount in the Payment Claim becomes due (on the date stated in your construction contract).
- ✔ If they don't pay claimed amount in full by the time it's due, you have several options:
  1. exercise a lien over unfixed plant and materials
  2. suspending work or the supply of goods and services
  3. applying for adjudication
  4. going to court to recover the unpaid amount

## How We Can Help

If you need help facilitating your progress payment claims, feel free to give us a call. Construction Lawyer Melbourne has over 10 years' relevant experience in debt recovery and Security of Payment, and has helped countless clients obtain satisfactory results. Contact us now. First consult is absolutely free.



## We Will Guide You With The Right Legal Advice.

Construction Lawyer Melbourne Is A Website Operated By Contracts Specialist Australian Solicitors And Attorneys. As Specialist Building Lawyers, We Deal With Building Disputes, Construction Contracts, And Security Of Payment Issues.