

Payments in Construction Contracts

The Payee Checklist

For all payment applications:

- Check the contract for dates to submit payment applications.
- Submit payment applications on time.
- Value the works at the date stipulated in the contract.
- Ensure that all payment applications state:
 - the sum considered to be due; and
 - the basis of the calculation.
- Clearly identify a document as a 'payment application'.
- Ensure that all payment applications are free from ambiguity.

If the Payer fails to:

- submit a payment notice on time; or
- submit a pay less notice on time; or
- pay a notified sum by the final date for payment;

do not delay in seeking advice on your legal rights – you may be entitled to:

- a cash 'windfall' by commencing a 'smash and grab' adjudication; or
- exercise the right to suspend work.



Payments in Construction Contracts

The Payer Checklist



For all payment notices / pay less notices:

- Check the contract for the relevant 'due date'.
- Check the contract for the 'final date for payment'.
- Check the contract for the deadline for issuing a pay less notice.
- Always submit:
 - payment notices not later than 5 days after the 'due date';
 - pay less notices on or before the contractual deadline
- Ensure that payment notices / pay less notices state:
 - the sum considered to be due; and
 - the basis of the calculation.

If the Payee starts an adjudication or suspends work having failed to:

- submit a payment application by the date stated in the contract; or
- set out the basis of the calculation; or
- identify a document as a 'payment application'; or
- value the works at the date stipulated in the contract;

do not delay in seeking advice on your legal rights.