



Payment Claims

To comply with the Construction Contracts Act 2002 the Payment Claim Form must:

Requirement of the Act	How to comply
Identify the construction contract	Project name
Identify the construction work	Trade section or description of work
Identify the relevant period	State claim period and number
State the claimed amount	Amount of this claim
State due date for payment	Date shown
Indicate how claimed amount calculated	Breakdown of contract price and detailed variation list, with percentage for each item. For variations include additional details of claim, your entitlement and include these with the payment claim.
State that it is made under the Act	"This is a payment claim under the Construction Contracts Act 2002"
ATTACH FORM 1	
Notice to accompany ALL payment claims explaining consequences of not responding/paying	Attach Form 1

NB Contractors who do not comply with the Act may have no legal rights to fair and timely payment, and may not be able to use the Act to adjudicate disputes or to enforce payment.

If contractors do not change their business practices, nothing will change. Contractors seeking improved cashflow must take the lead, by submitting claims that will give result in entitlements under the Act.

The following (last 2 pages) must accompany any payment claim. FORM 1

Technical Advice is available from:

Malcolm Abernethy
Executive Officer
Civil Contractors New Zealand
Phone: 04 496 3277
Fax: 04 496 3272
Mobile: 027 249 2513
Email: malcolm@civilcontractors.co.nz

Generally advice is provided as part of the membership benefits.

Where a substantial amount of time is involved in assisting members the costs will be discussed based on an hourly rate of \$100 plus GST.

Travel, accommodation and any other costs will be charged to the client at cost.

PAYMENT CLAIM	THIS IS A PAYMENT CLAIM UNDER THE CONSTRUCTION CONTRACTS ACT 2002 PLEASE READ THE ATTACHED INFORMATION
----------------------	--

TO (Payer)	Company Name		From (Payee)	Company Name	
	Address			Address	
	Attention			Attention	

Project		Trade	
Site Location		Our Ref	

Payment Claim No.		Claim Period	/ / / /	Last Date for submitting claim	/ /	Due Date for Payment	/ /
			from to				

BASE CONTRACT	Item	Description	Qty	Rate	Total	Claim to Date	
						%	\$
TOTAL BASE CONTRACT					\$		\$

(A)

VARIATIONS	Var No	Description (refer to attached details)	Submit Date	Approved		Variation Amount	Claim to Date	
				Date	Var Ref		%	\$
TOTAL VARIATIONS					\$		\$	

(B)

SUMMARY	Total Base Contract Complete to Date	<i>Insert Total A</i>	\$
	Total Variations Complete to Date	<i>Inert Total B</i>	\$
	Gross Claim to Date	<i>A + B</i>	\$
	Less Retention (if applicable)		\$
	Net Claim to Date	<i>C - D</i>	\$
	Less Previous Paid amount	<i>Total E from last claim*</i>	\$
CLAIMED AMOUNT (excluding GST)		<i>E - F</i>	\$

(C)
(D)
(E)
(F)

*Only if previous claim has been paid

Form 1

Information that must accompany all payment claims

Section 20, Construction Contracts Act 2002

Important notice

What is this?

This notice is attached to a claim for a payment (a **payment claim**) under the Construction Contracts Act 2002 (the **Act**).

The person who sent this payment claim (the **claimant**) is claiming to be entitled to a payment for, or in relation to, the construction work carried out to date under a construction contract.

Whether that person is entitled to a payment, and how much they are entitled to, will depend on whether you have a construction contract and what you have agreed between yourselves about payments. If you haven't agreed on payments, there are default provisions in the Act.

What should I do with this payment claim?

You can either—

- pay the amount claimed in the payment claim (in full) on or before the due date for payment; or
- if you dispute the payment claim, send the claimant a written payment schedule that complies with section 21 of the Act (a **payment schedule**) stating the amount you are prepared to pay instead (which could be nothing).

The **due date** for a payment is the date agreed between you and the claimant. That due date must be set out in the payment claim. If you haven't agreed on a due date, then the Act says that a payment is due within 20 working days after the payment claim is served on you. (For the purposes of the Act, a **working day** is any day other than a Saturday, a Sunday, a public holiday, or any day from 24 December to 5 January.)

When do I have to act?

You should act promptly. Otherwise, you may lose the right to object.

What if I do nothing?

If you don't pay the amount claimed by the due date for payment or send a payment schedule indicating what you will pay instead, the claimant can go to court to recover the unpaid amount from you as a debt owed. In addition, the court may decide that you have to pay the claimant's costs for bringing the court case.

Can I say that I will not pay, or pay less than, the claimed amount?

Yes, by sending a written payment schedule.

Note: If you do not send a written payment schedule, the claimant can bring court proceedings against you or refer the matter to adjudication (or both).

How do I say I will not pay, or pay less than, the claimed amount?

To say that you will pay nothing or indicate what you will pay instead, you must send the claimant a written payment schedule.

You must indicate the amount that you are prepared to pay, which could be nothing. This amount is called the **scheduled amount**.

If the scheduled amount is less than the claimed amount, you must explain in the payment schedule—

- how you calculated the scheduled amount; and
- why the scheduled amount is less than the claimed amount; and
- your reason or reasons for not paying the full amount claimed.

Note: The written payment schedule must also state which payment claim the payment schedule relates to.

Note: If you state in the payment schedule that you will pay less than the claimed amount or pay nothing at all, the claimant may refer the dispute about how much is owing for adjudication.

How long do I have?

You must send a payment schedule by the date agreed in the contract or, if no date was agreed, within 20 working days after the payment claim was served on you.

If I say I will pay another amount instead, when do I have to pay it?

You must still pay the scheduled amount by the due date for payment.

What if I don't pay the scheduled amount when I say I will?

If you send a payment schedule but do not pay the scheduled amount by the due date, the claimant can go to court to recover the unpaid amount from you as a debt owed or refer the matter to adjudication (or both).

Note: A court may also require you to pay the claimant's costs.

Advice

Important: If there is anything in this notice that you do not understand or if you want advice about what to do, you should consult a lawyer immediately.

This Form 1 comes from:

Construction Contracts Amendment Regulations 2015

Provided by Civil Contractors New Zealand