

## Section 20, Construction Contracts Act 2002 Important Notice

### What is this?

This notice is attached to our invoice, which is our claim for payment (a **payment claim**) under the Construction Contracts Act 2002 (the Act). Retro Construction Limited, 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 Retro Construction Limited is entitled to a payment, and how much they are entitled to, will depend on if we have a construction contract and what we have agreed between us about payments. If we 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 in the payment claim (invoice) in full on or before the due date; or
- If you dispute the payment claim, send Retro Construction Limited 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 us. The due date is on our invoice. If we haven't agreed a due date, then the Act says a payment is due 20 working days after the payment claim is served on you. (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, Equal Build Limited can go to court to recover the unpaid amount from you as a debt owed. In addition, the court may decide that you must pay our 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, Retro Construction Limited 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, than the invoiced (claimed) amount?

To say that you will pay nothing or indicate what you will pay instead, you must send Retro Construction Limited a written payment schedule.

You must indicate the amount 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 invoice (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, Equal Build Limited 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, Retro Construction Limited can go to court to recover the unpaid amount from you as a debt owing or refer the matter to adjudication (or both).

Note: A court may also require you to pay our costs.

### Advice

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.