

# PAYMENT NOTICE

The payer's notice of the sum considered due and its basis — HGCRA 1996 s.110A

NOTICE — SEND TO THE PAYEE

KD-PAY-PN-003 Rev A0

The payer's payment notice — a principal contractor to its subcontractor, or a client to its contractor. It specifies the sum the payer, or the person the contract specifies, considers to be or to have been due at the payment due date, and the basis on which that sum is calculated (HGCRA 1996 s.110A(2)); the sum may be zero (s.110A(4)). Your contract sets when it is given, and the Act requires that to be not later than five days after the payment due date (s.110A(1)). WHAT IT DOES: the sum in it becomes the notified sum, which must be paid by the final date for payment (s.111(1) and (2)(a)). WHAT IT DOES NOT DO: it is not a pay less notice — to pay less than the sum in it, give a pay less notice in time (KD-PAY-PL-004; s.111(3) to (5)). If it is not given in time, the payee may give a notice in default whose sum becomes the notified sum (s.110B), or the payee's application may already stand as that notice (s.110B(4)). If an adjudicator later decides more should be paid, the extra is due not later than the later of seven days from the decision and the date that would have been the final date apart from the notice (s.111(8) and (9)). Written for England and Wales. Part II of HGCRA 1996 also covers work in Scotland, which has its own Scheme regulations; Northern Ireland has its own construction contracts Order and Scheme — use those there. The Act's payment rules do not apply to a contract with a residential occupier: one principally about work on a dwelling that a party to the contract lives in or intends to live in (HGCRA 1996 s.106). A subcontract on a house is not excluded — the homeowner is not a party to it. Nor do they apply to work that is not construction operations (s.105(2)): for example manufacture or delivery to site of materials, components, plant or equipment under a contract that does not also provide for installing them, or installing plant or machinery (and its supporting steelwork) on a site whose primary activity is power generation, water or effluent treatment, or the production, processing or bulk storage of chemicals, pharmaceuticals, oil, gas, steel or food and drink.

## NOT LATER THAN FIVE DAYS AFTER THE PAYMENT DUE DATE

Diary the payment due date, and the date five days after it (counted as s.116 says — section 2), on the day the application arrives. If the date for this notice has passed, it will not set the notified sum (s.111(2)(a)): give a pay less notice (KD-PAY-PL-004) before the pay less deadline, instead of or as well as this notice, and take advice. Your contract's own wording and time limits govern. Before you issue this, read the payment and notices clauses — the dates, who notices go to, and how they must be sent — and take advice where money is at stake. This document gives notice and keeps a record; it does not decide what is due and cannot promise any outcome.

## 1 THE CONTRACT AND THE PARTIES

|                                      |                              |                      |                       |
|--------------------------------------|------------------------------|----------------------|-----------------------|
| FROM (PAYER)                         | TO (PAYEE)                   |                      |                       |
|                                      |                              |                      |                       |
| ADDRESS AND EMAIL                    | ADDRESS FOR NOTICES          |                      |                       |
|                                      |                              |                      |                       |
| PROJECT AND CONTRACT                 | CONTRACT / ORDER REF         | PAYMENT CLAUSE NO.   | DATE OF THIS DOCUMENT |
|                                      |                              |                      |                       |
| GIVEN BY (PAYER OR SPECIFIED PERSON) | PAYMENT THIS NOTICE IS ABOUT | APPLICATION RECEIVED | SUM APPLIED FOR £     |
|                                      |                              |                      |                       |

## 2 DATES FOR THIS PAYMENT

| KEY DATES — FILL THESE IN FIRST |                    |          |                        |                    |
|---------------------------------|--------------------|----------|------------------------|--------------------|
| PAYMENT DUE DATE                | THIS NOTICE DUE BY | GIVEN ON | FINAL DATE FOR PAYMENT | PAY LESS NOTICE BY |
|                                 |                    |          |                        |                    |

WHERE YOUR CONTRACT DOES NOT SET ITS OWN, the Scheme for Construction Contracts (England and Wales) Regulations 1998 fills the gap: an interim payment falls due on the later of 7 days after the end of the payment period (28 days where the contract states no period) and the payee's claim (Schedule Part II paras 4 and 12); the final date for payment is 17 days after the due date (para 8); the payer's payment notice is due not later than 5 days after the due date (para 9); a pay less notice not later than 7 days before the final date (para 10). The interim rules apply only where the work is not specified or agreed to last less than 45 days (s.109(1); para 12); on a shorter job the contract price falls due on the later of 30 days after completion and the payee's claim (para 6). These are fall-back rules only — they are not your contract's terms, and your contract's own dates govern wherever it has them.

HOW TO COUNT DAYS: under HGCRA 1996 s.116 a period after a date begins the day after that date, and Christmas Day, Good Friday and bank holidays are left out. Periods your contract sets are counted as your contract says. If you are not sure which count applies, meet your own deadline by the earlier date and let the other party's deadline pass by the later one — and take advice where it is close.

## 3 THE SUM WE CONSIDER DUE AT THE PAYMENT DUE DATE

Value each line to date, the way the application does, so the payee can see exactly where the figures differ and why. State the sum before any CIS deduction; where CIS applies, the deduction is made when the payment is made and shown on KD-CIS-PD-002.

| ITEM                                  | WHERE THIS DIFFERS FROM THE APPLICATION, AND WHY | £ EXCL. VAT |
|---------------------------------------|--------------------------------------------------|-------------|
| Contract works — to date              |                                                  |             |
| Variations — to date                  |                                                  |             |
| Daywork — to date                     |                                                  |             |
| Materials on site                     |                                                  |             |
| Materials off site                    |                                                  |             |
| Other sums the contract makes payable |                                                  |             |

PAYMENT NOTICE

continued

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|                                                       |  |
|-------------------------------------------------------|--|
| A Gross valuation to date                             |  |
| B Less retention                                      |  |
| C Less sums already paid or due for earlier payments  |  |
| D Less other deductions the contract provides for     |  |
| SUM CONSIDERED DUE (A less B, C and D), excluding VAT |  |
| BASIS ON WHICH THE SUM IS CALCULATED                  |  |
|                                                       |  |

4 NOTICE

Payment notice under section 110A of the Housing Grants, Construction and Regeneration Act 1996

For the payment identified in section 1, the sum we consider to be or to have been due at the payment due date is the sum stated in section 3, calculated on the basis set out there.

5 HOW THIS WAS GIVEN

Serve it as the contract says. Where the contract says nothing about service, any effective means will do; a notice addressed, pre-paid and posted to the last known principal business address, or a company's registered or principal office, is treated as served; and a notice includes any communication in writing (HGCRA 1996 s.115).

|           |          |                     |            |
|-----------|----------|---------------------|------------|
| HOW GIVEN | GIVEN TO | DATE AND TIME GIVEN | PROOF KEPT |
|           |          |                     |            |

TRACKER LINE (KD-PAY-PT-006)

6 SIGNED

For the payer or the specified person:

|              |      |         |           |      |      |
|--------------|------|---------|-----------|------|------|
| PRINTED NAME | ROLE | COMPANY | SIGNATURE | DATE | TIME |
|              |      |         |           |      |      |

R REVISION HISTORY

Every revision of this document, and every review that found nothing to change. The revision on the front of this sheet is the one you are holding — check kubitdocs.com for the current one before use.

| Rev | Date       | Class       | What changed                                                                                                                                                            | Authorised by                                                                 |
|-----|------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| D0  | 2026-09-12 | first-issue | First issue.                                                                                                                                                            | — not yet approved —                                                          |
| A0  | 2026-09-12 | review      | Approved for issue by the author. Content unchanged from the reviewed draft; the draft status strip is removed. No independent third-party review has been carried out. | Author — director, UK principal contractor, SMSTS. Not an independent review. |

Class: first-issue · material (the law, a control, a field or the scope changed — past buyers are notified) · editorial (wording or layout only) · review (checked, nothing changed) · withdrawal. Revision prefix D = draft, not approved and not for sale; A = approved for issue by the person named, on the date shown.