

PROMPT PAYMENT FOR

OWNERS

Ontario's Prompt Payment rules are part of your legal obligations under the *Construction Act*. With few exceptions, they apply to construction contracts entered into on or after Oct. 1, 2019. The Prompt Payment requirement is triggered when the owner receives a "proper invoice" from the contractor or consultant.

See the fact sheet **Prompt Payment & Adjudication 101** to determine if Prompt Payment applies to your contract.

What Owners Need to Know:

1. In the ordinary course, you must pay a contractor's invoice within **28 calendar days** of the date that you receive the invoice. The obligation to pay in 28 days applies regardless of the terms of payment in the contract.
2. You may dispute all or part of an invoice from a contractor if you give the contractor a notice of non-payment within **14 calendar days** of the date that you receive the contractor's proper invoice.

See the fact sheet **What is a Proper Invoice?**

3. A notice of non-payment must be in **Form 1.1**.

You can download a copy of Form 1.1 at this website: ontariocourtforms.on.ca/en/construction-lien-act-forms/

4. If you fail to make payment of a contractor's proper invoice within the required timeline, or fail to give timely notice in the proper form as noted above, then the contractor may enforce its right to payment through adjudication.

See the fact sheet **Adjudication Basics** for more on this process.

5. Different rules apply to release of holdback.

See the fact sheet **Prompt Payment for Holdbacks**.

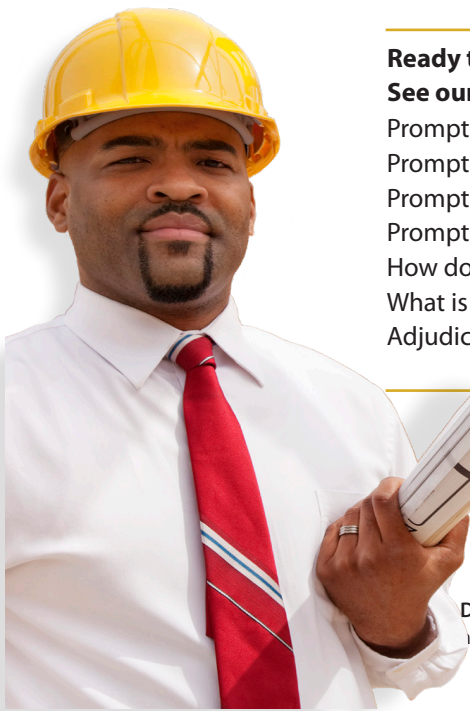
Ready to Learn More?

See our related fact sheets:

Prompt Payment & Adjudication 101
Prompt Payment for Contractors
Prompt Payment for Subcontractors
Prompt Payment for Holdbacks
How does the Basic Holdback Work?
What is a Proper Invoice?
Adjudication Basics

Other resources:

- Ontario Dispute Adjudication for Construction Contracts (odacc.ca)
- COCA Webinar on Prompt Payment and Adjudication (coca.on.ca/advocacy/prompt-payment)
- Ontario Construction Act (ontario.ca/laws/statute/90c30)



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