2026 NC & SC prompt-payment cheat sheet

Payment deadlines, late-payment interest and retainage for subcontractors and GCs. Rules as of November 3, 2026. Each rule links to the statute.

General information, not legal advice. This sheet summarises the North Carolina and South Carolina statutes linked on it, as published on ncleg.gov and scstatehouse.gov on November 3, 2026. It hasn't been reviewed by an attorney. Laws change, your contract matters, and courts may read the statutes differently. Check the statute and talk to a construction attorney about your situation.

North Carolina: private projects (G.S. Chapter 22C)

Doesn't apply to residential contractors or to residential projects of 12 or fewer units (G.S. 22C-6).

GC pays the sub	Within 7 days of the GC receiving each periodic or final payment, for the sub's work under the subcontract.	G.S. 22C-3
Late-payment interest	From the 8th day after the GC's receipt, at 1% per month or a fraction thereof on the unpaid balance.	G.S. 22C-5
Owner pays the GC	Chapter 22C sets no deadline or interest rate. The contract governs.	G.S. Chapter 22C
Pay-if-paid	Owner payment to the GC isn't a condition for paying the sub; an agreement to the contrary is unenforceable.	G.S. 22C-2
Retainage	A reasonable amount, not more than the owner's initial retainage percentage. No fixed cap or release date in Chapter 22C.	G.S. 22C-4

North Carolina: public projects (G.S. 143-134.1)

Contracts let by the State or a political subdivision. Not NCDOT contracts let under G.S. 136-28.1.

Prime pays the sub	Within 7 days of the prime receiving each periodic or final payment; interest from the 8th day at 1% per month or fraction thereof.	G.S. 143-134.1(b)
Owner pays the prime: final	Balance within 45 days of the earliest of acceptance, certified completion or occupancy; interest from the 46th day at 1% per month unless a lower rate is agreed.	G.S. 143-134.1(a)
Owner pays the prime: periodic	As the contract sets; interest begins on the date the payment is due.	G.S. 143-134.1(a)
No retainage	None on contracts where the total project cost is under $150,000 (raised from $100,000 by Session Law 2026-9).	G.S. 143-134.1(b1); S.L. 2026-9
Retainage cap	No more than 5% of each progress payment; none after the project is 50% complete, with the surety's consent.	G.S. 143-134.1(b1)(1), (2)
Sub retainage	A sub's retainage percentage can't exceed the owner's on the prime; any excess earns interest at 1% per month.	G.S. 143-134.1(b1)(3)
Retainage release	Within 60 days after a pay request following substantial completion or beneficial occupancy.	G.S. 143-134.1(b1)(4)

South Carolina: private and public projects (S.C. Code Title 29, Chapter 6)

Covers government owners too (§ 29-6-10(4)). Doesn't apply to residential homebuilders, residential projects of 16 or fewer units, or private owners whose improvements aren't financed by someone else (§ 29-6-60).

Owner pays the GC	The undisputed amount of a pay request within 21 days of the owner receiving it.	§ 29-6-30
GC pays the sub	Within 7 days of the GC receiving each periodic or final payment. Payment is made by mailing (first class) or delivering it.	§ 29-6-30
Late-payment interest	1% a month or a pro rata fraction, from the due date, but only if the payer was told about § 29-6-50 when payment was requested.	§ 29-6-50
Private-job waiver	A private contract can set other rates and periods only if it waives §§ 29-6-30 and 29-6-50 by section number in conspicuous bold or underlined type.	§ 29-6-50
Pay-if-paid	Owner payment isn't a condition precedent for paying the sub; an agreement to the contrary isn't enforceable.	§ 29-6-230
Retainage	"A reasonable amount for retainage" may be withheld. No percentage in Chapter 6.	§ 29-6-40
State jobs: retainage	No more than 3.5% of each progress payment. As each division is certified complete, the prime releases the sub's retention within 10 days of receiving it. Doesn't cover counties, cities or school districts (§ 11-35-310(18)).	§ 11-35-3030(4)

Good to know

Put the SC notice on every pay app. The statute gives no wording. This line, in our words, does the job: "This payment request is subject to S.C. Code § 29-6-50, which provides for interest on late payments."

1% a month isn't NC's 8% legal rate. The prompt-payment sections set their own 1% a month rate; G.S. 24-1's 8% is a different rule.

How our calculator works out interest. Unpaid amount x 12% x days late / 365, simple, never compounded. The statutes don't set a day-count method, so courts or your contract may calculate differently.

Leave out amounts properly withheld. Defective or disputed work and retainage withheld under G.S. 22C-4, 143-134.1(d) or § 29-6-40 don't earn late-payment interest.

Work out the interest on your own dates: https://getpayclear.com/tools/late-payment-interest-calculator

Sources (official legislature sites)

N.C. Gen. Stat. Chapter 22C: https://www.ncleg.gov/EnactedLegislation/Statutes/HTML/ByChapter/Chapter_22C.html

N.C. Gen. Stat. § 143-134.1: https://www.ncleg.gov/EnactedLegislation/Statutes/HTML/BySection/Chapter_143/GS_143-134.1.html

N.C. Session Law 2026-9: https://www.ncleg.gov/EnactedLegislation/SessionLaws/HTML/2025-2026/SL2026-9.html

N.C. Gen. Stat. § 24-1: https://www.ncleg.gov/EnactedLegislation/Statutes/HTML/BySection/Chapter_24/GS_24-1.html

S.C. Code Title 29, Chapter 6: https://www.scstatehouse.gov/code/t29c006.php

S.C. Code Title 11, Chapter 35: https://www.scstatehouse.gov/code/t11c035.php

Prepared by PayClear, a product of Simply Stats LLC, doing business as PayClear. Free to share and print with this credit.
https://getpayclear.com/resources/nc-sc-prompt-payment-cheat-sheet