

## IOWA LOTTERY GAME SPECIFIC RULES

# MEGA MILLIONS®

The following are the game specific rules for the Iowa Lottery's implementation of the MEGA MILLIONS® multi-jurisdictional game. These game-specific rules are generated consistent with the authority in Iowa Code § 99G.9(4) (2014) and Iowa Code § 99G.31(2)(b) (2014). The game-specific rules are generated in compliance with the Computerized Lottery Games General Rules in 531 Iowa Administrative Code Chapter 20, and incorporate the rules in Chapter 20 except to the extent the rules in Chapter 20 are expressly inapplicable to multistate lottery games. In the event of inconsistencies, these game-specific rules control any contrary provisions of the Computerized Lottery Games General Rules in 531 Iowa Administrative Code Chapter 20. In purchasing a ticket for or otherwise participating in the MEGA MILLIONS® multistate lottery game, the player agrees to comply with and abide by the Iowa Lottery's statutes, administrative rules, the national game rules adopted by the Mega Millions Consortium and the Mega Millions Product Group, and these Iowa-specific game rules.

### SECTION 1 - DEFINITIONS

The following definitions apply unless the context requires a different meaning or is otherwise inconsistent with the intention of the rules adopted by the Mega Millions Product Group.

- A. "Drawing" means the formal event for selecting the winning indicia that determine the number of winners for each prize level of the Mega Millions game. Winning indicia include the winning numbers for the Mega Millions game.
- B. "Drawing machine" means a computer or other device that determines the outcome of the process of selection of winning and losing tickets or shares in a lottery.
- C. "Game ticket" or "ticket" means a ticket produced by a terminal or manufacturing process that is the tangible evidence to prove participation in a game.
- D. "Jackpot" or "Grand Prize" means the top prize of the Mega Millions game.
- E. "Lotto terminal" means a machine that prints and dispenses tickets or shares that will be determined to be winning or losing tickets or shares either by a predetermined pool drawing machine or by a drawing machine at some time subsequent to the dispensing of the tickets or shares.
- F. "Pari-mutuel" means that the prize pool will be shared among all those who won at that prize level.
- G. "Participating Lottery" or "Selling Lottery" means a state lottery or lottery of a political subdivision or entity which is participating in selling the Mega Millions game.
- H. "Play" or "game play" means the six (6) numbers, the first five (5) from a field of seventy (70) numbers and the last one (1) from a field of twenty-five (25) numbers, that appear on a ticket as a single lettered selection and are to be played by a player in the game.
- I. "Play slip" or "game play slip" means a card used in marking a player's game plays and containing one or more boards.

J. "Retailer" means the person or entity licensed by the Iowa Lottery to sell game plays or tickets.

K. "Set Prize" means all other prizes except the Grand Prize that are advertised to be paid by a single cash payment and, except in instances outlined in these rules, will be equal to the prize amount established by the MUSL Board for the prize level.

L. "Specific game rules" means the rules promulgated by the Lottery pursuant to Iowa Code section 99G.9(4) and 531 Iowa Administrative Code Chapter 20 that contain the features of a particular computerized game or promotion.

M. "Terminal" means a device issued by the Lottery to a licensed retailer that is authorized by the Lottery to function with the Lottery's central computer system for the purpose of issuing, entering, receiving, and processing lottery transactions.

N. "Winning numbers" means the indicia selected during a drawing which shall be used to determine winning plays for the Mega Millions game contained on a game ticket. There will be six (6) winning numbers for each drawing, the first five (5) from a field of seventy (70) numbers and the last one (1) from a field of twenty-five (25) numbers.

## **SECTION 2 – GAME DESCRIPTION AND PLAY**

A. General Play. The Mega Millions lottery game is a five (5) out of seventy (70) plus (1) out of twenty-five (25) lottery game which pays the Grand Prize, at the election of the player, either on an annuitized pari-mutuel basis or as a cash lump sum payment of the total cash held for this prize pool on a pari-mutuel basis. Except for the Grand Prize, or as provided in these rules, all other prizes are Set Prizes, paid on a set cash basis.

To play Mega Millions, a player shall select five (5) different numbers, from one (1) through seventy (70) and one (1) additional number from one (1) through twenty-five (25), for input into a terminal. The additional number may be the same as one (1) of the first five (5) numbers selected by the player. Tickets can be purchased from a terminal operated by a retailer. The player may select a set of five (5) numbers and one (1) additional number by marking the numbered squares in any one (1) game panel on an Iowa Lottery approved play slip and submitting the play slip to a licensed retailer, by requesting an "easy pick" from a licensed retailer, or by entering either five (5) different numbers, from one (1) through seventy (70) and one (1) additional number from one (1) through twenty-five (25) or an easy pick into an Iowa Lottery self-service kiosk.

B. Megaplier® Option. The Lottery may also, at its discretion, offer a promotion known as the Megaplier®.

The Megaplier option is an add-on to the current Mega Millions 5/70 + 1/25 game. Players who purchase the Megaplier option will have the opportunity to multiply the set prizes (all prizes except the jackpot prize) by a number (a multiplier) that is selected at draw time.

Before each Mega Millions drawing, a single multiplier number: two, three, four, or five (2, 3, 4, or 5), shall be drawn for the Megaplier. The Iowa Lottery may change one or more of these multiplier numbers for special promotions from time to time. In the event the multiplier drawing does not occur prior to the Mega Millions drawing, the multiplier number will be a 5 (five), which shall solely be determined by the lottery authorized to conduct the "Megaplier" drawing. Players who purchase

the extra Megaplier and who win any set prize, except the Grand Prize, will receive an amount equal to the set prize won multiplied by the multiplier number selected at the drawing when the win occurred. A qualifying play is any single Mega Millions play for which the player purchases the additional Megaplier play option and which is recorded at the Iowa Lottery's central computer system as a qualifying play. The Grand Prize is not a set prize and will not be multiplied or increased by means of the Megaplier promotion.

### **SECTION 3 – GAME TICKETS AND COST**

A. Cost. A game play in the Mega Millions lottery game shall sell for two dollars (\$2.00). In conjunction with the purchase of a Mega Millions game play, players may also purchase the Megaplier option for an additional one dollar (\$1.00).

B. Game Tickets. Game tickets shall be printed on ticket stock that meets all specifications and requirements of the Iowa Lottery, the Multi-State Lottery Association, the Mega Millions Consortium, including but not limited to confidential specifications.

Valid game ticket shall include, but not be limited to, the following content: the player's number selections, the game logo or name, the ticket cost, the applicable terminal number, a barcode, a drawing date, and designations for quick picks (if selected) and advance draws (if selected).

The following tickets are considered invalid and do not in any way entitle the bearer thereof to any prize:

- (i) Tickets that do not contain the content or comply with the specifications set forth in these rules.
- (ii) Tickets purchased from non-licensed Iowa Lottery retailers; or
- (iii) Tickets purchased, possessed, or presented in violation of any provision of Iowa Code Chapter 99G or Chapter 531 of the Iowa Administrative Code.

### **SECTION 4 – CANCELLATIONS AND SELL-OUTS PROHIBITED**

A Mega Millions ticket may not be voided or cancelled by returning the ticket to the selling retailer or to the lottery, including tickets that are printed in error. No ticket, which can be used to claim a prize, shall be returned to the lottery for credit. Tickets accepted by a retailer, as returned tickets, which cannot be re-sold, shall be deemed owned by the bearer thereof.

No retailer may sell, and no person or legal entity may purchase, a game ticket or combination of game tickets that would result in a guarantee that the person or legal entity would win a Jackpot prize.

### **SECTION 5– DRAWINGS**

Two drawings shall be held each week. Drawings shall be held each Tuesday and each Friday beginning at 10:00 PM Central Time, except as otherwise determined by the Mega Millions Consortium and the Mega Millions Product Group. The Iowa sales cutoff time for the drawing shall be 8:59 PM Central Time. The Mega Millions Consortium and the Mega Millions Product Group will determine all procedures for the game Drawings, which shall be open to the public and recorded. All Drawings shall be witnessed by an independent certified public accounting firm. Tickets are valid for only the draw date(s) shown on the ticket. At the option of the Lottery, Players may be allowed to purchase multi-draw plays for up to 10 consecutive drawings.

**SECTION 6- PRIZES**

There are nine (9) prize levels in the Mega Millions game. The prize amounts for the Jackpot Prize is dependent upon the number of winners at that prize level, as set forth in more detail below. The prize amounts for the other prize levels are set payments payable in a single cash payment in accordance with Iowa Lottery policies and rules, as set forth in more detail below.

A. Prizes & Odds of Winning. The overall odds of winning a Mega Millions prize are 1 in 24. The specific odds and prize levels are set forth below.

<u>Number of Matches Per MM Play</u>	<u>Prize Pool Odds</u>	<u>Probable Set Prize Amount</u>	<u>Percentage Allocated to Prize</u>
All five (5) of first set plus One (1) of second set	1:302,575,350	Jackpot	75.3018%
All five (5) of first set and None of second set	1:12,607,306	\$1,000,000.00	7.9319%
Any four (4) of first set plus One (1) of second set	1:931,001	\$10,000.00	1.0742%
Any four (4) of first set and None of second set	1:38,792	\$500.00	1.2889%
Any three (3) of first set plus One (1) of second set	1:14,547	\$200.00	1.3749%
Any three (3) of first set and None of second set	1:606	\$10.00	1.6498%
Any two (2) of first set plus One (1) of second set	1:693	\$10.00	1.4436%
Any one (1) of first set plus One (1) of second set	1:89	\$4.00	4.4752%
None of first set plus One (1) of second set	1:37	\$2.00	5.4597%

B. Determination of Prizes. The jackpot or grand prize shall be determined on a pari-mutuel basis. If winners at non- jackpot prize levels exceed the available prize fund, prizes may be paid on a pari-mutuel basis and be lower than set prize levels. The Mega Millions Lotteries may set a minimum guaranteed graduated annual annuity Grand Prize amount, which shall be advertised by the selling lotteries as the starting graduated annual annuity grand prize amount. In certain rare instances, the Mega Millions set prize amount may be less than the amount shown.

The prize pool is estimated to be fifty-five percent (55%) of Mega Millions sales, but may be higher or lower based upon the number of winners at each guaranteed prize level, as well as the funding required to meet the official advertised jackpot (including the Megaplier prize amounts). The official advertised Mega Millions grand prize graduated annual annuity amount is subject to change based on sales forecasts and/or actual sales.

C. Megaplier. If the player has elected the Megaplier option, the winning matches and the probabilities for matching the numbers drawn stay the same. The following table sets forth the amounts paid to set prize winners for the multiplier numbers drawn.

Prize Levels	Standard	With Megaplier			
		2X	3X	4X	5X
Match 5+0	\$1,000,000	\$2,000,000	\$3,000,000	\$4,000,000	\$5,000,000
Match 4+1	\$10,000	\$20,000	\$30,000	\$40,000	\$50,000
Match 4+0	\$500	\$1,000	\$1,500	\$2,000	\$2,500
Match 3+1	\$200	\$400	\$600	\$800	\$1000
Match 3+0	\$10	\$20	\$30	\$40	\$50
Match 2+1	\$10	\$20	\$30	\$40	\$50
Match 1+1	\$4	\$8	\$12	\$16	\$20
Match 0+1	\$2	\$4	\$6	\$8	\$10

**MULTIPLIER NUMBERS DO NOT APPLY TO THE MEGA MILLIONS GRAND PRIZE. THE MEGA MILLIONS JACKPOT PRIZE CANNOT BE INCREASED OR AFFECTED BY THE MEGAPLIER.**

The following table sets forth the standard probability of the various Megaplier numbers being drawn during a single Mega Millions drawing. The Mega Millions Product Group or the Mega Millions Consortium, at their sole discretion, may elect to run limited promotions that may increase the frequency of designated multiplier numbers for the Megaplier feature.

Megaplier	Probability of Prize Increase
5X - Prize Won Times 5	1 in 15
4X - Prize Won Times 4	3 in 15
3X - Prize Won Times 3	6 in 15
2X - Prize Won Times 2	5 in 15

Multiplier numbers do not apply to the Mega Millions Grand Prize.

D. Prize Pools. If in any Mega Millions drawing there are no plays that qualify for the Jackpot or Grand Prize category, the portion of the prize fund allocated to the jackpot or Grand Prize category shall remain in the jackpot or Grand Prize category and be added to the amount allocated for the jackpot or Grand Prize category in the next consecutive Mega Millions drawing.

At the discretion of the Mega Millions Game Group, the Mega Millions Consortium, and the Iowa Lottery, a percentage of the Lottery's sales may be added to the Lottery's Grand Prize Pool contribution and placed in trust in one or more prize reserve accounts held by the Mega Millions Product Group at any time. The shares of a Lottery may be adjusted with refunds to the Lottery from the prize reserve account(s) as may be needed to maintain the approved maximum balance and shares of the Lotteries.

Any amount remaining in a prize reserve account at the end of this game shall be carried forward to a replacement prize reserve account or expended in a manner as directed by the Mega Millions Product Group.

E. Prize Allocation. The prize money allocated to the jackpot prize category shall be divided equally by the number of game plays winning the jackpot prize for the draw in question. All other prizes shall be paid as set prizes, except as set forth in these rules.

If the total of set cash prizes awarded in a drawing exceeds the percentage of the prize pool allocated to the set prize levels, then the amount needed to fund all set cash prizes awarded, including the Megaplier prizes, shall be drawn from the following sources in the following order:

- (i) the amount allocated to the set cash prizes and carried forward from previous draws, if any;
- (ii) an amount from the set prize reserve account, if available, not to exceed forty million dollars (\$40,000,000) per drawing. If, after these sources are depleted, there are not sufficient funds to pay the set cash prizes awarded, including the Megaplier prizes, then the set prizes shall become a pari-mutuel basis, drops to or below the next highest set prize and there are still not sufficient funds to pay the remaining set prizes awarded, then the next highest set prize shall become a pari-mutuel prize. This procedure shall continue down through all set prize levels, if necessary, until all set prize levels become pari-mutuel prize levels. In that instance, the money available from the funding sources listed in this rule shall be divided among the winning plays in proportion to their respective prize percentages. When the promotion is available, Megaplier Option prizes shall be a factor of the new amounts.

The prize pool percentage allocated to the set cash prizes shall be carried forward to the subsequent draws if all or a portion of it is not needed to pay the set cash prizes awarded in the current draw.

The Mega Millions Product Group may offer guaranteed minimum jackpot prize amounts, minimum increases in the jackpot prize amounts between drawings, or make other changes in the allocation of prize money where the MUSL Board finds that it would be in the best interest of the game. Changes in the allocation of prize money shall be designated to retain approximately the same prize allocation percentages, over a year's time, set out in these rules. Minimum guaranteed prizes or increases may be waived if the alternate funding mechanism set out in these rules becomes necessary.

## **SECTION 7- CLAIMS**

A valid Game Ticket shall be the only proof of a game play. A play slip has no pecuniary or prize value and shall not constitute evidence of ticket purchase or of numbers selected. A terminal-produced paper receipt has no pecuniary or prize value and shall not constitute evidence of a ticket purchase or of numbers selected. Game Tickets must be validated and satisfy all requirements of the Iowa Lottery Authority, the Multi-State Lottery Association, and the Mega Millions Consortium in order to be eligible to receive a Mega Millions prize. In order to receive a Mega Millions prize, any winning play must pass all Iowa Lottery security and validation requirements, and a successful claimant must provide all information required by Lottery security.

The submission of a valid winning Game Ticket to the Lottery or its authorized agent shall be the sole method of claiming a prize or prizes. All prize claims shall be made within three hundred sixty-five (365) calendar days of the drawing date in which the prize is won. For purposes of determining the claim period, the first (draw) day shall be excluded, and the last day included. In the event the last day

falls on a Saturday, a Sunday, or a legal holiday, the time to claim shall be extended to close of business on the next day thereafter when Lottery offices are open for business. Any prize not claimed within the specified period shall be forfeited.

## **SECTION 8- PAYMENT**

A. Paying Prizes. The Iowa Lottery may pay prizes pursuant to this game by cash, check, warrant, or electronic transfer, following the Iowa Lottery's receipt of any necessary information or permission to pay from the Mega Millions Product Group or the Mega Millions Consortium.

Jackpot prizes shall be paid, at the election of the player made no later than 60 days after the player becomes entitled to the prize, with either a per-winner graduated annual annuity or a cash payment, less any applicable federal and state tax withholdings or offsets. If the payment election is not made by the player within 60 days after the player becomes entitled to the prize, then the prize shall be paid as a graduated annual annuity prize. Any election made after the winner becomes entitled to the prize is final and cannot be revoked, withdrawn or otherwise changed.

If an annuity has a cash value of less than \$250,000.00, the Mega Millions Product Group, in its sole discretion, may elect to pay the cash value of the annuity. All prizes paid by annuities shall be paid in thirty (30) graduated annual installments with the initial payment being made by check, to be followed by twenty-nine (29) payments funded by the annuity. Except as may be controlled by a member's governing statute, the amount of each payment shall be determined in accordance with Mega Millions Product Group's established annuity payment policies and/or rules. The initial payment of an annuitized prize shall be made by the lottery after the completion of internal validation procedures. Annual payments after the initial payment shall be made by the lottery to coincide with the month on the Federal auction on the date at which the bonds were purchased to fund the annuity, with graduated annual installments defined in the Mega Millions Lotteries' Finance and Operations Procedures. Payments shall escalate by a factor of five percent (5%) annually, and annual payments shall be rounded down to the nearest even one thousand dollar (\$1,000.00) increment. All such payments shall be made within seven (7) days of the anniversary of the annual auction date.

Annuitized payments of the jackpot prize or a share of the jackpot prize may be rounded to facilitate the purchase of an appropriate funding mechanism. Breakage on a jackpot prize win shall be added to the first cash payment to the winner or winners. Prizes, which, under these rules, may become single-payment, pari-mutuel prizes, may be rounded down so that prizes can be paid in whole dollars. Breakage resulting from rounding of these prizes shall be carried forward to the prize pool for the next drawing.

B. Shared Jackpots. Shares of the Grand Prize shall be determined by dividing the cash available in the Grand Prize pool equally among all winners of the Grand Prize. Winner(s) who elect a cash payment shall be paid their share(s) in a single cash payment. If the jackpot is a guaranteed amount, then the amount of the cash payment shall be determined by dividing the official advertised jackpot amount by the annuity factor obtained through the Mega Millions Product Group formal quote process.

C. Estate Proceedings/Annuity Prizes. In the event of the death of a Jackpot winner during the annuity payment period, upon petition of the estate of that winner (the "Estate") to the Iowa Lottery and with the consent of the Product Group, the Iowa Lottery may accelerate the payment of all the remaining lottery proceeds to the Estate consistent with the requirements of Iowa law.

D. Timing of Payment.

The Lottery may delay payment of any prize pending a final determination by the CEO, and without accrual or payment of any interest or penalty, under any of the following circumstances:

- (i) If a dispute occurs or appears to the Iowa Lottery to be likely to occur regarding the prize;
- (ii) If there are questions regarding the identity or eligibility of the claimant;
- (iii) If there are any questions or concerns about whether the ticket was legally purchased, legally possessed, or legally presented;
- (iv) If there are concerns regarding the validity of the ticket or share presented;
- (v) If the claim is subject to offset for debts owed by the claimant under Iowa law;
- (vi) For any reason permitted in the rules of the Mega Millions Product Group or the Mega Millions Consortium; or
- (vii) For any reason permitted in the Iowa Lottery's Code, administrative rules, or policies.

**SECTION 9- PROHIBITED PLAYERS**

The following persons, and their immediate family members residing in the same household, are prohibited from purchasing a ticket or share of the Mega Millions game or claiming a Mega Millions prize in any participating jurisdiction:

- (i) A contractor or consultant under agreement with the Iowa Lottery to perform audit and security functions, and any officers, employees, or agents of those contractors or consultants;
- (ii) An employee of the Iowa Lottery's on-line gaming system vendor;
- (iii) Members of the Iowa Lottery Authority Board of Directors, Iowa Lottery Authority officers, employees, or agents;
- (iv) Officers, employees, and agents of the subcontractors and vendors of the Iowa Lottery Authority, if the CEO of the Iowa Lottery determines in his sole discretion that the officer, employee, or agent of the subcontractor or vendor has access to confidential information which may compromise the integrity of the Lottery;
- (v) Players that sign up for the Iowa Lottery's self-exclusion program, including but not limited to players who may have lawfully requested removal from the self-exclusion program who have not yet received confirmation of their reinstated ability to play from the Lottery;
- (vi) Any person under the age of 21. However, the recipient of a lawfully purchased and transferred ticket permitted by Chapter 531 of the Iowa Administrative Code may receive a Mega Millions prize.
- (vii) An employee of the independent certified public accounting firm under contract to oversee drawings for the Mega Millions game.
- (viii) Those persons ineligible to play Mega Millions due to the Mega Millions National Game rules, or the laws or rules of any other party lottery offering the Mega Millions game.

**SECTION 10- DISPUTES AND APPLICABLE LAW**

A. Player Responsibility. The Player has sole responsibility for ensuring the accuracy of the game play and the other data on the Game Ticket. Players make game play selections and play Mega Millions at their own risk. Retailers and other Lottery-approved distributors act solely on behalf of the player in entering the game plays. The Participating Lotteries are not responsible for lost, altered, or stolen tickets.



B. Compliance with Law. By purchasing a ticket or making a claim relating to the Mega Millions game, each purchaser and/or claimant agrees to abide by all applicable statutes, rules, and regulations of the Iowa Lottery.

C. Disputes. Any claims or litigation relating to the Game Tickets and/or prizes may only be brought against the selling lottery in the jurisdiction where the Game Ticket was purchased. Any claims or litigation relating to Game Tickets and/or prizes for a Mega Millions ticket sold in Iowa shall apply Iowa law and shall solely be brought in the Iowa District Court for Polk County or the United States District Court for the Southern District of Iowa, Central Division, wherever jurisdiction is appropriate.

D. Final Determinations. Consistent with Iowa Code Chapter 99G, decisions made by the CEO of the Iowa Lottery, including but not limited to those relating to the declaration of prizes, the payment or transfer of prizes, the eligibility of players, and/or the interpretation of these rules, shall be final and binding on all purchasers and any person making a claim relating in any way to this Mega Millions game.

E. Exclusive Remedy. In the event a dispute between a Iowa Lottery and any Game Ticket player, bearer, or claimant occurs relating to the Game Ticket, game play, or prize claim, the Iowa Lottery may solely at its own discretion reimburse the purchase price of the Game Ticket. This shall be the sole and exclusive remedy.