

## ADOPTION AND AMENDMENT OF OFFICIAL POWERBALL GAME RULES

Notice is hereby given that on June 29, 2017, the Connecticut Lottery Corporation (the "CLC"), with the advice and consent of its Board of Directors, adopted the Powerball Game Rules (the "Game Rules"), as amended by the provisions below (the "Amendments"). The Game Rules and the Amendment are collectively referred to as the "Official Powerball Game Rules."

### SECTION I: INTRODUCTION

1. Applicability. The Official Powerball Game Rules apply to all purchases, claims and payments made in Connecticut related to drawings occurring on or after September 30, 2017. All purchases, claims and payments made in connection with drawings occurring before September 30, 2017 are governed by the Official Powerball Game Rules adopted September 22, 2016, and the Amendment thereto. Purchasers and Claimants agree to comply with and be bound by all applicable Connecticut and federal laws, the Official Powerball Game Rules, and the CLC Rules of Operation. In the event of any inconsistency among these, the following order of precedence shall prevail in resolving such inconsistency: first, the applicable provisions of the Connecticut or federal law; second, the Official Powerball Game Rules; and, third, the CLC Rules of Operation.

### SECTION II: DEFINITIONS

2. Annuity Payment. "Annuity Payment" shall mean the manner in which the Grand Prize may be paid in annual installments. The Grand Prize winner's share shall be paid in thirty (30) graduated annual installments. The initial payment shall be paid upon completion of the CLC's authorized cashing and claiming policies and procedures. The subsequent twenty-nine (29) payments shall be paid annually.
3. Cash Payment or Lump Sum. "Cash Payment" or "Lump Sum" shall mean the manner in which the Grand Prize may be paid in one (1) single cash payment. The Grand Prize winner's share will be paid in a single lump sum cash payment upon completion of internal validation procedures.
4. Claimant. "Claimant" shall mean any natural person or legal entity submitting a winning Powerball ticket within the required prize claim period.
5. Grand Prize. "Grand Prize" shall mean the top prize in the Powerball game awarded for matching all the numbers drawn from both matrix fields. The Grand Prize amount is established by the Multi-State Lottery Association for each Powerball drawing. The Grand Prize is a Pari-Mutuel prize paid as an Annuity Payment consisting of thirty (30) graduated annual installments, or as one (1) single Lump Sum.

6. Pari-Mutuel. "Pari-Mutuel" shall mean the total published allocation of revenue to a given prize level divided by the number of winners at that level.
7. Player or Purchaser. "Player" or "Purchaser" shall mean a natural person or legal entity buying Powerball tickets in accordance with the Official Powerball Game Rules.
8. Retailer. "Retailer" shall mean a natural person or legal entity licensed by the State of Connecticut Department of Consumer Protection and authorized by the CLC to sell Powerball tickets and pay winning tickets.
9. Terminal Gaming System. "Terminal Gaming System" shall mean the computer wagering system used by the CLC for the purpose of issuing and paying Powerball tickets.

### SECTION III: CONNECTICUT PROCEDURES

10. Discounts, Rebates and Promotions. The CLC may offer Powerball tickets through discounts, rebates or promotions for a period not to exceed ninety (90) days in any six (6) month period.
11. Lost or Stolen Tickets. Lost or stolen Powerball tickets shall not be honored or processed for payment or replacement. The CLC shall not be responsible for lost or stolen Powerball tickets.
12. Ticket Validation Requirements.
  - A. The CLC will not pay a prize unless an official Powerball ticket meets and passes all validation criteria. Such ticket shall be the only valid proof of the wager placed and must be presented to claim or redeem a prize. It shall be solely the bearer's responsibility to present a ticket that can be validated in accordance with the validation criteria, as established in the CLC's sole discretion.
  - B. In addition, all of the following conditions must be met:
    1. The validation data on the ticket must be present in its entirety and must correspond, using the Terminal Gaming System's validation files, to the information printed on the ticket for the drawing date(s) printed on the ticket.
    2. The ticket must not be stolen, counterfeit, altered, fraudulent, unissued, issued in error, unreadable, not received, unclaimed, not recorded by the CLC within applicable deadlines, lacking in captions that conform and agree with the play symbols appropriate to Powerball, or not in compliance with specific rules and with confidential validation and security tests. The CLC, the Multi-State Lottery Association and the Selling Lotteries shall not be responsible for paying any prize in connection with such a ticket.
    3. The ticket must have been issued by a licensed Retailer on official ticket

stock.

4. The ticket must not have been stolen, to the knowledge of the CLC at the time of presentation.
  5. The ticket must be submitted for payment in accordance with the CLC's authorized claim procedures.
  6. The ticket data must have been recorded in the Terminal Gaming System prior to the drawing, and the ticket data must match this computer record in every respect. In the event of a contradiction between information as printed on the ticket and as accepted by the Terminal Gaming System, the wager accepted by the Terminal Gaming System shall be the valid wager.
  7. The number selections, ticket serial number, validation data and the drawing date(s) of an apparent winning ticket must appear in the Terminal Gaming System's files of winning tickets, and a ticket with that exact data must not have been previously paid.
  8. The ticket must not be unregistered, defectively printed or printed/produced in error to the extent that the CLC cannot process and/or validate it.
  9. There must not be any other violation of the Official Powerball Game Rules in relation to the ticket which, in the opinion of the CLC President, justifies invalidation.
  10. At all times, a Claimant agrees to abide by all applicable laws, rules, regulations, instructions, conditions and final decisions of the CLC President.
  11. A Powerball ticket purchased in Connecticut must be validated and redeemed in Connecticut.
  12. A Powerball ticket shall satisfy all of the requirements established by the CLC for validation of winning tickets sold through the Terminal Gaming System and any other validation requirements adopted by the Powerball Product Group and the Multi-State Lottery Association Board.
- C. An official Powerball ticket submitted for validation that fails any of the preceding requirements shall be void. If a defective Powerball ticket is purchased, if the CLC determines to adjust an error, or if there is a dispute between the CLC and a ticket bearer as to whether the ticket is a winning ticket, and if the ticket prize is not paid by the CLC, the CLC President may, in his/her sole discretion, reimburse the ticket bearer the purchase price of the ticket, supply a coupon/voucher of equal sales value, or both. This shall be the ticket bearer's sole and exclusive remedy.

13. Procedures for Claiming and Payment of Prizes.

- A. Powerball prizes may be redeemed or claimed at CLC Headquarters, Retailers or high-tier claims centers. Retailers may cash single winning tickets up to and including five hundred ninety-nine dollars (\$599); high-tier claims centers may cash single winning tickets up to and including five thousand dollars (\$5,000); single winning tickets over five thousand dollars (\$5,000) must be cashed at CLC Headquarters. Prizes of \$50,000 or more must be claimed in person at CLC headquarters. Winning

tickets shall be processed in accordance with the CLC's authorized cashing and claiming policies and procedures.

- B. Winning Powerball tickets are valid for one hundred eighty (180) calendar days from the date of the drawing.
  - C. State and federal withholding taxes, and any other required deductions, where applicable, shall be withheld from Powerball prizes in such amounts as are required by law.
  - D. Powerball prizes shall not be paid to any person(s) explicitly prohibited from playing the game as defined in PB Game Rule 33.1 and Section 24 of these Amendments.
  - E. Where multiple Claimants are entitled to a prize, the name of all Claimants should appear on the back of the winning ticket. If that is not possible, the name of at least one (1) Claimant must appear on the back of the ticket, and the existence of other Claimants must be indicated (for example, by using words to the effect of "etc." or "et al."). In such a situation, a list of all Claimants must be submitted, and all CLC cashing and claiming procedures must be followed. The CLC shall be discharged of all liability upon payment to those Claimants indicated on the back of the ticket or on such list. If a ticket is owned in unequal shares, the CLC may pay any prize attributable to that ticket in such unequal proportion, unless doing so would constitute an unreasonable burden upon the CLC, in which case the CLC reserves the right to make payment to one Claimant designated by the multiple Claimants. Payment to such designated Claimant shall discharge the CLC from all liability for the payment of that prize to the multiple Claimants.
  - F. Consistent with Connecticut law, the winner's name and city/town, the date/amount of win, and the name/location of the CLC Retailer that sold the winning Powerball ticket are public information and, as such, may be disclosed in a press release or press conference. Powerball claims are newsworthy events. Therefore, winners may be requested to participate in events such as an interview or press conference. These publication requirements apply, but are not limited, to Grand Prize Winner(s).
14. Use of Play Slips. Players may submit a completed Powerball play slip to any Retailer to purchase an official Powerball ticket.
15. Placing of Wagers.
- A. Quick Pick. "Quick Pick" refers to the random selection of numbers resulting in a wager accepted by the Terminal Gaming System. Players may either request a Quick Pick Powerball ticket from a Retailer, or may select the Quick Pick option on the play slip and submit the completed play slip to any Retailer.

- B. Customer Select. “Customer Select” refers to Players selecting their own numbers by completing a Powerball play slip, or by conveying their number selections directly to a Retailer.
16. Self-Service Terminals. Players may utilize any self-service terminal approved by the CLC for the purchase of official Powerball tickets.
17. Advance Action. Players may place wagers using the same set of numbers for multiple, consecutive Powerball drawings, at intervals to be determined by the CLC. Players may make an Advance Action wager by marking the Advance Action box on a Powerball play slip and selecting the number of draws, or by conveying their request to a Retailer. Advance Action play shall always include the next scheduled drawing. There may be only one (1) Advance Action play/wager per selection slip.
18. Replay Feature. Players may utilize the barcodes of already purchased Powerball tickets to duplicate another ticket of the same price, for the same number of drawings, with the same number selections, and any other options, including whether the Player purchased Power Play. To replay, Players may either make the request of a Retailer or may scan the barcode directly into a self-service terminal.
19. 60-Day Prize Election Period. Players shall have sixty (60) calendar days from the date when a winning Grand Prize ticket is presented for payment at CLC Headquarters to decide whether the prize will be paid as a Cash Payment or an Annuity Payment. Once the option is exercised, the Player’s decision is final and irrevocable. If the selection option is not exercised by the Grand Prize winner within sixty (60) calendar days from the date when the winning ticket is presented for payment at CLC Headquarters, the CLC shall automatically issue payment as an Annuity Payment.
20. Play Restriction. Powerball tickets may not be sold to or purchased by anyone under the age of eighteen (18). No one under the age of eighteen (18) may cash Powerball tickets.
21. Time, Place and Manner of Conducting Powerball Drawings.
- A. Sales for the next occurring Powerball drawing shall close a minimum of fifty-nine (59) minutes before the draw.
  - B. The time, place and manner of drawings shall be conducted in accordance with procedures implemented by the Multi-State Lottery Association for the Powerball game.
22. President’s Decisions. In the event of any occurrence not covered by the Official Powerball Game Rules, Purchasers and Claimants shall abide by the decisions of the CLC President, who shall make such decisions in the best interests of the CLC and the State of Connecticut. In all cases of doubt, the CLC President’s sole and exclusive determination shall be final and binding.

23. Cost Per Play. Official Powerball tickets may be purchased for two dollars (\$2.00) per play, or multiples thereof. The Player receives one (1) play for each two dollars (\$2.00) wagered. The Player may add on the Power Play feature for an additional one dollar (\$1.00) per play.

24. Ineligible Players. In addition to the individuals listed in PB Game Rule 33.1, Powerball tickets purchased in Connecticut and those offered for sale from any Party Lottery or Licensee Lottery shall not be purchased by, and a prize won by any such ticket or share, either in whole or in part, shall not be paid to:

- A. A current CLC employee or a current CLC Board Member.
- B. Natural persons and legal entities issued a vendor or affiliate license by the State of Connecticut Department of Consumer Protection in connection with the CLC's operations, as authorized under Conn. Gen. Stat. § 12-815a, and anyone otherwise prohibited from playing CLC games by reason of any contract or agreement with the CLC.
- C. An immediate family party (related by blood, adoption, marriage, domestic partnership, or civil union) of an individual described in PB Game Rule 33.1 and sections A and B of this Rule 24 residing as a member of such individual's household.

**PART II POWERBALL GAME RULES**

*Last Amended March 20, 2017 to be effective with the drawing on September 30, 2017;  
Comments Last Updated March 20, 2017.*

**PB RULE 26—DEFINITIONS.**

The following definitions apply to all Parts of these rules unless the context requires a different meaning or is otherwise inconsistent with the intention of these rules adopted by the Product Group. Capitalized terms used but not defined in these rules shall have the meanings ascribed to them in the MUSL Agreement.

*Amended December 8-9, 2009; November 15, 2012.*

**26.1** “Advertised Grand Prize” shall mean the estimated annuitized Grand Prize amount as determined by the MUSL Central Office by use of the MUSL Annuity Factor and communicated through the Selling Lotteries prior to the Grand Prize drawing. The “Advertised Grand Prize” is not a guaranteed prize amount and the actual Grand Prize amount may vary from the advertised amount, except in circumstances where there is a guaranteed Grand Prize amount as described in Rule 30.5.

*Adopted May 22, 2015 to be effective with the October 7, 2015 drawing.*

**26.2** “Agent” or “retailer” means a person or entity authorized by a Selling Lottery to sell lottery plays.

*Amended May 22, 2015 to be effective with the October 7, 2015 drawing.*

**26.3** A “Drawing” refers collectively to the formal draw event for randomly selecting the winning indicia that determine the number of winners for each prize level of the Powerball game and the Power Play multiplier. Winning indicia include the Winning Numbers for the Powerball game, and the Power Play multiplier.

*Amended November 15, 2012; December 10, 2014; May 22, 2015 to be effective with the October 7, 2015 drawing.*

**26.4** “Computer pick” means the random selection of indicia by the computer that appear on a ticket or ticketless transaction and are played by a player in the game.

*Amended November 15, 2012; December 10, 2014; December 30, 2014; May 22, 2015 to be effective with the October 7, 2015 drawing.*

**26.5** Reserved.

*Amended March 20, 2017 to be effective with the September 30, 2017 drawing.*

**26.6** “Game ticket” or “ticket” means an acceptable evidence of play, which is a ticket produced in a manner that meets the specifications defined in the rules of each Selling Lottery and Rule 31 (Ticket Validation) and is a physical representation of the play or plays sold to the player or is a properly and validly registered ticketless transaction play.

*Amended October 5, 2004; November 15, 2012; June 25, 2013; December 10, 2014; May 22, 2015 to be effective with the October 7, 2015 drawing.*

**26.7** “Grand Prize” shall refer to the top prize in the Powerball game.

*Adopted December 10, 2014. Amended May 22, 2015 to be effective with the October 7, 2015 drawing.*

**26.8** “Licensee Lottery” shall mean a state lottery or lottery of a governmental unit, political subdivision, or entity thereof that is not a Party Lottery but has agreed to comply with all applicable MUSL and Product Group requirements and has been authorized by the MUSL and by the Powerball Product Group to sell the Powerball game.

*Adopted December 8-9, 2009; Amended November 15, 2012; December 10, 2014; May 22, 2015 to be effective with the October 7, 2015 drawing.*

**26.9** "MUSL" means the Multi-State Lottery Association, a government-benefit association wholly owned and operated by the Party Lotteries.

**26.10** “MUSL Annuity Factor” shall mean the annuity factor as determined by the MUSL central office through a method approved by the MUSL Finance and Audit Committee and which is used as described in these Rules.

*Adopted May 22, 2015 to be effective with the October 7, 2015 drawing.*

**26.11** "MUSL Board" means the governing body of the MUSL, which is comprised of the chief executive officer of each Party Lottery.

*Amended November 15, 2012; May 22, 2015 to be effective with the October 7, 2015 drawing.*

**26.12** “MUSL Finance and Audit Committee” shall mean the committee of that name established by the MUSL Board.

*Adopted June 15, 2016 to be effective with the drawing on October 19, 2016.*

**26.13** "Party Lottery" or “Member Lottery” means a state lottery or lottery of a political subdivision or entity that has joined the MUSL and, in the context of these Product Group Rules, that is authorized to sell the Powerball game. Unless otherwise indicated, “Party Lottery” or “Member Lottery” does not include “Licensee Lotteries.”

*Amended June 20, 2006; December 8-9, 2009; November 15, 2012; May 22, 2015 to be effective with the October 7, 2015 drawing.*

**26.14** "Play" or "Bet" means the six (6) numbers, the first five (5) from a field of sixty-nine (69) numbers and the last one (1) from a field of twenty-six (26) numbers, that appear on a ticket or communicated in a ticketless transaction as a single lettered selection and are to be played by a player in the Powerball game.

*Amended July 5, 2002; May 4, 2005; August 20, 2008; June 14, 2011 and effective for draws beginning January 18, 2012; December 10, 2014; May 22, 2015 to be effective with the October 7, 2015 drawing.*

**26.15** “Product Group” or “the Group” means a group of lotteries that has joined together to offer a product pursuant to the terms of the Multi-State Lottery Agreement and the Product Group’s own rules.

*Amended November 15, 2012; June 5, 2014.*

**26.16** "Play Slip" or "Bet Slip" means a physical or electronic means by which a player communicates their intended play selection to the retailer as defined and approved by the Selling Lottery.

*Amended December 10, 2014; Amended March 20, 2017 to be effective with the September 30, 2017 drawing.*

**26.17** “Selling Lottery” or “Participating Lottery” shall mean a lottery authorized by the Product Group to sell Powerball plays, including Party Lotteries and Licensee Lotteries. *Adopted December 8-9, 2009.*

*Amended May 22, 2015 to be effective with the October 7, 2015 drawing; June 15, 2016 to be effective with the drawing on October 19, 2016.*

**26.18** "Set Prize", also referred to as “low-tier prize”, means all other prizes, except the Grand Prize, and, except in instances outlined in these rules, will be equal to the prize amount established by the Product Group for the prize level.



*Amended November 15, 2012; June 5, 2014; December 10, 2014; May 22, 2015 to be effective with the October 7, 2015 drawing; June 15, 2016 to be effective with the drawing on October 19, 2016.*

**26.19** "Terminal" means a device authorized by a Selling Lottery to function in an on-line, interactive mode with the gaming computer system for the purpose of issuing lottery tickets and entering, receiving, and processing lottery transactions, including making purchases, validating tickets, and transmitting reports.

*Amended December 8-9, 2009; November 15, 2012; December 10, 2014; May 22, 2015 to be effective with the October 7, 2015 drawing.*

**26.20** "Ticketless Transaction" shall include plays sold through subscription, internet, or non-standard terminals.

*Amended June 25, 2013*

**26.21** "Winning Numbers" means the indicia randomly selected during a Drawing event which shall be used to determine winning plays for the Powerball game contained on a game ticket or ticketless transaction.

*Amended December 10, 2014; May 22, 2015 to be effective with the October 7, 2015 drawing.*

**26.22** Reserved. *Approved May 22, 2015 to be effective with the October 7, 2015 drawing.*

## **PB RULE 27—POWERBALL GAME DESCRIPTION.**

**27.1** Powerball is a five (5) out of sixty-nine (69) plus one (1) out of twenty-six (26) numbers lottery game drawn every Wednesday and Saturday as part of the Powerball drawing event, which pays the Grand Prize, at the election of the player made in accordance with these rules or by a default election made in accordance with these rules, either on an annuitized pari-mutuel basis or as a single lump sum payment of the total funding held in the Grand Prize Pool (GPP) for the winning drawing on a pari-mutuel basis. Except as provided in these rules, all other prizes are paid on a single payment basis. Powerball Winning Numbers applicable to determine Powerball prizes will be determined in the Powerball Drawing event.

To play Powerball, a player shall select (or computer pick) five (5) different numbers, from one (1) through sixty-nine (69) and one (1) additional number from one (1) through twenty-six (26). The additional number may be the same as one of the first five numbers selected by the player.

Plays can be purchased for two dollars (U.S. \$2.00), including any specific statutorily mandated tax of a Selling Lottery to be included in the price of a play. Plays may be purchased from a Selling Lottery approved sales outlet in a manner as approved by the Selling Lottery and in accordance with MUSL Rules

The Drawing Procedures shall include procedures for randomly selecting the Powerball game Winning Numbers and the Power Play multiplier.

*Amended December 21, 1998, February 3, 2002; July 5, 2002; May 4, 2005; August 20, 2008; December 8-9, 2009; June 14, 2011 and effective for draws beginning January 18, 2012; November 15, 2012; June 25, 2013; June 5, 2014; December 10, 2014; December 30, 2014; May 22, 2015 to be effective with the October 7, 2015 drawing; October 22, 2015 to be effective with the February 3, 2016 drawing.*

**27.2 Claims.** Unless otherwise permitted by a selling lottery, a ticket (subject to the validation requirements set forth in Rule 31 (Ticket Validation)) or properly registered ticketless transaction shall be the only proof of a game Play or Plays and the submission of a winning ticket to the issuing Selling Lottery or its authorized agent shall be the sole method of claiming a prize or prizes. A Play Slip has no pecuniary or prize value and shall not constitute evidence of play purchase or of numbers selected. A terminal-produced paper receipt has no pecuniary or prize value and shall not constitute evidence of play purchase or of numbers selected.

*Amended October 5, 2004; December 8-9, 2009; November 15, 2012; June 5, 2014; December 10, 2014; May 22, 2015 to be effective with the October 7, 2015 drawing.*

**27.3 Cancellations Prohibited.** A play may not be voided or canceled by returning the ticket or ticketless transaction to the selling agent or to the lottery, including tickets that are printed in error. A Selling Lottery may develop an approved method of compensating retailers for plays that are not transferred to a player for a reason acceptable to the Selling Lottery. No play that is eligible for a prize can be returned to the lottery for credit. Plays accepted by retailers as returned plays and that cannot be re-sold shall be deemed owned by the bearer thereof.

*Amended November 15, 2012; December 10, 2014; May 22, 2015 to be effective with the October 7, 2015 drawing.*

*Comment. By proxy vote on July 7, 1993, the Board agreed that after each drawing, each Selling Lottery should check ticket numbers of returned plays and report to the MUSL as non-winners any returned plays that contain a match for all of the numbers drawn. At its meeting on September 28, 1993, the Board reaffirmed its policy that plays cannot be canceled. The Board also recognized that good retailer relations may require a Selling Lottery to compensate a retailer for plays that are misprinted, illegible, or, for other reasons that may be acceptable to the Selling Lottery, cannot be sold by the retailer. This rule permits each Selling Lottery, at its discretion, to compensate a retailer for a returned play that is not eligible to win a prize at the time it is returned to the Selling Lottery. To avoid the appearance that a returned play is being canceled, the Selling Lottery should require that the ticket not be placed in transit until after the applicable drawing. Returned plays are accepted only for a Selling Lottery's auditing purposes and shall have no effect on the outcome of the Drawing for which they were issued or reduce the Selling Lottery's contribution to the Grand Prize prize pool. At its meeting on April 17, 1994, the Board agreed that plays stolen by a retailer's hired clerk cannot be accepted by the Selling Lottery as canceled or returned plays. Although the rule would permit a Selling Lottery to compensate a retailer for the loss from theft if a Selling Lottery wishes to assume such a loss, the plays cannot be canceled or returned to the Selling Lottery. The plays are owned by, and winning plays may be claimed by, the retailer.*

*Comment last modified May 22, 2015 to be effective with the October 7, 2015 drawing.*

**27.4 Player Responsibility.** It shall be the sole responsibility of the player to verify the accuracy of the game Play or Plays and other data printed on the ticket or contained in a ticketless transaction. The placing of Plays is done at the player's own risk through the agent that is acting on behalf of the player in entering the Play or Plays. The purchaser of a Play or Plays through a ticketless transaction has the sole responsibility for verifying the accuracy and condition of the data at the time of purchase.

*Amended November 15, 2012; June 5, 2014; December 10, 2014; May 22, 2015 to be effective with the October 7, 2015 drawing.*

**27.5 Entry of Plays.** Plays may only be entered manually using the lottery terminal keypad or touch screen or by means of a Play Slip as approved by the Selling Lottery or by such other means approved by the Selling Lottery. Retailers shall not permit the use of Play Slips that are not approved by the Selling Lottery. Retailers shall not permit any device to be physically or wirelessly connected to a lottery terminal to enter plays, except as approved by the Selling Lottery.

*Amended December 8-9, 2009; December 10, 2014; Amended March 20, 2017 to be effective with the September 30, 2017 drawing.*

**27.6 Registration of Plays.** Ticketless transaction plays may be registered by the Selling Lottery at a lottery processing site that meets the requirements established by the Product Group and the MUSL Board.

*Adopted October 5, 2004; Amended December 8-9, 2009; November 15, 2012; June 25, 2013; December 10, 2014*

**PB RULE 28—POWERBALL PRIZE POOL**

**28.1 Powerball Prize Pool.** The prize pool for all prize categories shall consist of fifty percent (50%) of each drawing period's sales, inclusive of any specific statutorily mandated tax of a Selling Lottery to be included in the price of a play, and including contributions to the prize pool accounts and prize reserve accounts.

*Amended August 20, 2008; December 8-9, 2009; November 15, 2012; June 25, 2013; December 10, 2014; December 30, 2014; May 22, 2015 to be effective with the October 7, 2015 drawing; September 23, 2015 to be effective with the February 3, 2016 drawing.*

**28.2(a) Powerball Prize Pool Accounts and Prize Reserve Accounts.** The Product Group shall set the contribution rates to the prize pool and to one or more prize reserve or pool accounts established by this rule.

- (i) The following prize reserve accounts for the Powerball game are hereby established:
  - (a) the Prize Reserve Account (PRA), which is used to guarantee the payment of valid, but unanticipated, Grand Prize claims that may result from a system error or other reason; and
  - (b) the Set Prize Reserve Account (SPRA), which is used to fund deficiencies in low-tier Powerball prize payments (subject to the limitations of these rules).
- (ii) The following prize pool accounts for the Powerball game are hereby established:
  - (a) the GPP, which is used to fund the current Grand Prize;
  - (b) the Set Prize Pool (SPP), which is used to fund the Set Prizes. The SPP shall hold the temporary balances that may result from having fewer than expected winners in the Set Prize (aka low-tier prize) categories. The source of the SPP is the Party Lottery's weekly prize contributions less actual Set Prize liability;
  - (c) the Set-Aside Pool (SAP), which is used to fund the payment of the awarded minimum starting annuity Grand Prizes and minimum annuity Grand Prize increase, if necessary (subject to the limitations in these rules), as may be set by the Product Group; and
  - (d) the Grand Prize Carry Forward Pool (GPCFP), which is used to fund the starting minimum annuity Grand Prize, as may be set by the Product Group, if such funds are available, and if sales do not fund the Grand Prize.

(iii) The above prize reserve accounts, the GPCFP and the SAP shall have maximum balance amounts or balance limiter triggers that are set by the Product Group and are detailed in the *Comments* to this Rule.

The maximum balance amounts and balance limit triggers are subject to review by the MUSL Board Finance and Audit Committee. The Finance and Audit Committee shall have two weeks to state objections, if any, to the approved maximum balance amounts or balance limiter triggers. Approved maximum balance amounts or balance limiter triggers shall become effective no sooner than two weeks after notice is given to the Finance and Audit Committee and no objection is stated or sooner if the Committee affirmatively approves the maximum balance amounts or balance limiter triggers. The Group may appeal the Committee's objections to the full

Board. Group approved changes in the maximum balance amounts or balance limiter triggers set by the Product Group shall be effective only after the next Grand Prize win.

(iv) The maximum contribution rate to the GPP shall be 68.0131% of the prize pool (34.0066% of sales).

An amount up to five percent (5%) of a Party Lottery's sales shall be deducted from a Party Lottery's GPP contribution and placed in trust in one or more prize pool accounts and prize reserve accounts held by the Product Group (hereinafter the "prize pool and reserve deduction") at any time that the prize pool accounts and Party Lottery's share of the prize reserve accounts(s) is below the amounts designated by the Product Group.

An additional amount up to twenty percent (20%) of a Party Lottery's sales shall be deducted from a Party Lottery's GPP contribution and placed in trust in the GPCFP to be held by the Product Group at a time as determined by the Product Group.

*Amended June 15, 2016 to be effective with the drawing on October 19, 2016.*

(v) The Product Group may determine to expend all or a portion of the funds in the Powerball prize pool accounts (except the GPP account and the GPCFP) and the prize reserve accounts:

(1) for the purpose of indemnifying the Party Lotteries and Licensee Lotteries in the payment of prizes to be made by the Selling Lotteries; and

(2) for the payment of prizes or special prizes in the game, limited to prize pool and prize reserve contributions from lotteries participating in the special prize promotion, subject to the approval of the Board's Finance & Audit Committee or that Committee's failure to object after given two weeks' notice of the planned action, which actions may be appealed to the full Board by the Product Group.

The GPCFP may only be expended to fund the starting minimum annuity Grand Prize.

(vi) The prize reserve shares of a Party Lottery may be adjusted with refunds to the Party Lottery from the prize reserve account(s) as may be needed to maintain the approved maximum balance and sales percentage shares of the Party Lotteries.

*Amended June 15, 2016 to be effective with the drawing on October 19, 2016.*

(vii) A Party Lottery may contribute to its sales percentage share of prize reserve accounts over time, but in the event of a draw down from a prize reserve account, a Party Lottery is responsible for its full sales percentage share of the prize reserve account, whether or not it has been paid in full.

*Amended June 15, 2016 to be effective with the drawing on October 19, 2016.*

(viii) Any amount remaining in the Powerball prize pool accounts or prize reserve accounts when the Product Group declares the end of the game shall be returned to the lotteries participating in the accounts after the end of all claim periods of all Selling Lotteries, carried forward to a replacement game, or otherwise expended in a manner at the election of the individual Members of the Product Group in accordance with jurisdiction statute.

*Amended December 12, 2001; August 1, 2003; August 20, 2008; December 8-9, 2009; November 15, 2012; May 13, 2013 to be effective October 1, 2013; June 25, 2013; June 5, 2014; December 10, 2014; December 30, 2014; May 22, 2015 to be effective with the October 7, 2015 drawing; September 23, 2015 and October 22, 2015 to be effective with the February 3, 2016 drawing.*

*Comment. The SPRA and the SPP, to the extent they exist, may be used to fund a deficiency in Power Play multiplier prizes; but monies from the GPP may not be used to fund or increase a Power Play prize. As permitted by Rule 30.5 and as required by Rule 28.2(a)(iii), on October 25, 2011, the Powerball Product Group set the maximum SAP balance amount at \$20 million and the maximum SPRA balance amount at \$40 million. As required by Rule 28.2(a)(iii), on November 15, 2012, the Product Group set the maximum PRA balance amount at \$80 million.*

*On May 13, 2013, the Group determined that, effective October 1, 2013, the prize pool and reserve deduction is set to begin at two percent (2%) when the annuity Grand Prize, as determined after sales are known, exceeds one hundred twenty million (\$120,000,000.00), and four percent (4%) when the annuity Grand Prize, as determined after sales are known exceeds two hundred fifty million dollars (\$250,000,000.00). Any amount of the prize pool and reserve deduction shall first be used to fund the SAP until it reaches its maximum established balance amount, and then shall be used to fund the prize reserve accounts until they reach their individual maximum established balance amounts. Any amount of the prize pool and reserve deduction not used to fund the SAP or prize reserve accounts shall become part of the GPP.*

*As required by Rule 28.2(a)(iii), on September 23, 2015, as modified by Group action on January 27, 2016, and on June 15, 2016, the Group established a balance limit trigger for the GPCFP as follows: Effective with the drawing on July 2 2016, at any time that the GPCFP is below forty-five million dollars (\$45,000,000) prior to a drawing, the GPCFP deduction from a Party Lottery's GPP contribution for that drawing shall be equal to a maximum of four percent (4%) of a Party Lottery's sales when the annuity Grand Prize, as determined after sales are known, exceeds one hundred twenty million dollars (\$120,000,000.00); the GPCFP percentage shall be reduced by the percentage of sales being actually contributed to the SAP, SPRA or the PRA. At any time that the GPCFP exceeds forty-five million dollars (\$45,000,000) prior to a drawing, there shall be no GPCFP deduction for that drawing. On June 15, 2016 the Group agreed to continue contributions to the GPCFP after August 2, 2017.*

*Approval of the Group is required to change the prize pool and prize reserve deduction percentages, maximum balances and balance limit trigger levels.*

*Comment last modified June 15, 2016 to be effective with the drawing on July 2, 2016.*

**28.2(b) Licensee Lotteries.** Licensee Lotteries shall adhere to PB Rule 28.2(a) unless a different process is approved by the Product Group.

*Adopted December 8-9, 2009.*

*Comment. At its meeting on December 8-9, 2009, and under the terms of the Cross-Selling Agreement, the Product Group agreed to exclude the Licensed Lotteries from contributing to the prize pool accounts (other than the GPP) and prize reserve accounts with the agreement of the Licensed Lotteries to be responsible for the payment of their shares of all prizes won.*

*Comment last modified October 22, 2015 to be effective with the February 3, 2016 drawing.*

**28.3 Expected Powerball Prize Payout Percentages.**

(1) The Grand Prize payout shall be determined on a pari-mutuel basis. Except as otherwise mandated by jurisdiction statute or judicial requirements, or provided for in these rules, all other prizes awarded shall be paid as set single payment prizes. All prize payouts are made with the following expected prize payout percentages, although the prize payout percentage per draw may vary:

<i>Number of Matches Per Play</i>	<i>Prize Payment</i>	<i>Prize Pool Percentage Allocated to Prize</i>
All five (5) of first set plus one (1) of second set.	Grand Prize	68.0131%*
All five (5) of first set and none of second set.	\$1,000,000	8.5558%
Any four (4) of first set plus one (1) of second set.	\$50,000	5.4757%
Any four (4) of first set and none of second set.	\$100	0.2738%
Any three (3) of first set plus one (1) of second set.	\$100	0.6899%
Any three (3) of first set and none of second set.	\$7	1.2074%
Any two (2) of first set plus one (1) of second set.	\$7	0.9981%
Any one (1) of first set plus one (1) of second set.	\$4	4.3489%
None of first set plus one (1) of second set.	\$4	10.4373%

\* *The maximum contribution rate may include contributions to reserves and pools as described in these rules.*

*Amended June 14, 2011 and July 24, 2011 and effective for draws beginning January 18, 2012; November 15, 2012, June 25, 2013 to be effective October 1, 2013; June 5, 2014; December 10, 2014; December 30, 2014; May 22, 2015 to be effective with the October 7, 2015 drawing; September 23, 2015 to be effective with the February 3, 2016 drawing.*

*Comment: Due to jurisdictional law requirements, on November 15, 2012, the Powerball Group concluded that the California Lottery shall separately determine the low-tier cash prize values for that jurisdiction and that it shall not participate in the Power Play multiplier.*

*Comment last modified December 10, 2014.*

**(a)** The prize money allocated to the Grand Prize category shall be divided equally by the number of plays winning the Grand Prize.

*Amended June 25, 2013 effective October 1, 2013; December 10, 2014*

**(b) Powerball Set Prize Pool Carried Forward.** For Party Lotteries, the Powerball SPP (for single payment prizes of one million dollars (\$1,000,000.00) or less) shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the Powerball Set Prizes awarded in the current draw.

*Amended June 25, 2013; June 5, 2014; December 10, 2014; May 22, 2015 to be effective with the October 7, 2015 drawing; October 22, 2015 to be effective with the February 3, 2016 drawing.*

**(c) Pari-Mutuel Powerball Prize Determinations.** Except as provided for in 28.3(1)(c)(1)(c), for Party Lotteries:

*Amended December 10, 2014; May 22, 2015 to be effective with the October 7, 2015 drawing.*

**(1)(a)** If the total of the Powerball Set Prizes (as multiplied by the respective Power Play multiplier if applicable) awarded in a drawing exceeds the percentage of the prize pool allocated to the Powerball Set Prizes, then the amount needed to fund the Powerball Set Prizes, including Power Play prizes, awarded shall be drawn from the following sources, in the following order:

- (i)** the amount available in the SPP and the Power Play Prize Pool, if any;
- (ii)** an amount from the SPRA, if available, not to exceed forty million dollars (\$40,000,000.00) per drawing; and
- (iii)** other amounts as agreed to by the Product Group in their sole discretion.

*Amended June 25, 2013 effective October 1, 2013; December 10, 2014; December 30, 2014; May 22, 2015 to be effective with the October 7, 2015 drawing; June 15, 2016 to be effective with the drawing on October 19, 2016.*

**(1)(b)** If, after these sources are depleted, there are not sufficient funds to pay the Set Prizes awarded, including Power Play prizes, then the highest Set Prize shall become a pari-mutuel prize. If the amount of the highest Set Prize, when paid on 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, including Power Play prizes, 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. Powerball Set Prizes and Power Play prizes will be reduced by the same percentage.

*Amended January 13, 1998; May 4, 2005; December 8-9, 2009; June 14, 2011 and October 25, 2011 to be effective for draws beginning January 18, 2012; November 15, 2012; June 25, 2013 effective October 1, 2013; June 5, 2014; December 10, 2014; December 30, 2014; May 22, 2015 to be effective with the October 7, 2015 drawing.*

**(1)(c)** By agreement with the Licensee Lotteries, the Licensee Lotteries shall independently calculate their Set Prize pari-mutuel prize amounts. The Party Lotteries and the Licensee Lotteries shall then agree to set the pari-mutuel prize amounts for all lotteries selling the game at the lesser of the independently-calculated prize amounts.

*Amended June 25, 2013 effective October 1, 2013; December 10, 2014.*

*Comment. The California Lottery is excluded from the Party Lotteries' and other Licensee Lotteries' pari-mutuel prize calculations.*

**(2) Licensee Lotteries.** Licensee Lotteries shall adhere to PB Rule 28.3(1)(c)(1)(a) and (b) unless a different process is approved by the Product Group.

*Adopted December 8-9, 2009. Amended June 25, 2013 to be effective October 1, 2013; December 10, 2014; May 22, 2015 to be effective with the October 7, 2015 drawing.*

*Comment. The California Lottery is excluded from the Party Lotteries' and other Licensee Lotteries' pari-mutuel prize calculations. At its meeting on December 8-9, 2009, and under the terms of the Cross-Selling Agreement, the Product Group agreed to exclude the Licensed Lotteries from contributing to the prize pool accounts (other than the GPP) and prize reserve accounts with the agreement of the Licensed Lotteries to be responsible for the payment of their shares of all prizes won subject to the agreement noted in 28.3(1)(c)(1)(c).*

*Comment last modified October 22, 2015 to be effective with the February 3, 2016 drawing.*

**MULTI-STATE LOTTERY ASSOCIATION – POWERBALL GROUP RULES**

**PB RULE 29 PROBABILITY OF WINNING POWERBALL PRIZES.** The following table sets forth the probability of winning and the probable distribution of winners in and among each prize category, based upon the total number of possible combinations in Powerball. The Set Prize Amount shall be the prizes set for all Selling Lotteries unless prohibited or limited by a jurisdiction’s statute or judicial requirements.

Number of Matches Per Play	Probability Distribution		Probable/Set Prize Amount
	Winners	Probability	
All five (5) of first set plus one (1) of second set	1	1: 292,201,338.0000	Grand Prize
All five (5) of first set and none of second set	25	1: 11,688,053.5200	\$1,000,000
Any four (4) of first set plus one (1) of second set	320	1: 913,129.1813	\$50,000
Any four (4) of first set and none of second set	8,000	1: 36,525.1673	\$100
Any three (3) of first set plus one (1) of second set	20,160	1: 14,494.1140	\$100
Any three (3) of first set and none of second set	504,000	1: 579.7646	\$7
Any two (2) of first set plus one (1) of second set	416,640	1: 701.3281	\$7
Any one (1) of first set plus one (1) of second set	3,176,880	1: 91.9775	\$4
None of first set plus one (1) of second set	7,624,512	1: 38.3239	\$4
Overall	11,750,538	1: 24.8671	

*Amended July 5, 2001; May 4, 2005; December 8-9, 2009; June 14, 2011 and effective for draws beginning January 18, 2012; November 15, 2012; June 5, 2014; December 10, 2014; May 22, 2015 to be effective with the October 7, 2015 drawing.*

*Comment: Due to jurisdictional law requirements, on November 15, 2012, the Powerball Group concluded that the California Lottery shall separately determine the low-tier cash prize values for that jurisdiction.*



### **PB RULE 30 POWERBALL PRIZE PAYMENT**

**30.1 Grand Prizes.** Grand Prizes shall be paid, at the election of the player made no later than sixty (60) days after the player becomes entitled to the prize, with either a per-winner annuity or single lump sum payment (which may be referred to as the “cash option”). If the payment election is not made at the time of purchase and is not made by the player within sixty (60) days after the player becomes entitled to the prize, then the prize shall be paid as an annuity prize. An election for an annuity payment made by a player before ticket purchase or by system default or design may be changed to a cash option payment at the election of the player until the expiration of sixty (60) days after the player becomes entitled to the prize. The election to take the cash option payment may be made at the time of the prize claim or within sixty (60) days after the player becomes entitled to the prize. An election made after the winner becomes entitled to the prize is final and cannot be revoked, withdrawn, or otherwise changed.

Shares of the Grand Prize shall be determined by dividing the funds available in the GPP equally among all winning plays of the Grand Prize. Winner(s) who elect a cash option payment shall be paid their share(s) in a single lump sum payment. The annuitized option prize shall be determined by multiplying a winner’s share of the Grand Prize pool by a process as approved by the MUSL Board. Neither MUSL nor the Selling Lotteries shall be responsible or liable for changes in the advertised or estimated annuity prize amount and the actual amount purchased after the prize payment method is actually known to MUSL.

In certain instances announced by the Product Group, the Grand Prize shall be a guaranteed amount and shall be determined pursuant to Rule 30.5.

If individual shares of the GPP funds held to fund an annuity is less than \$250,000.00, the Product Group, in its sole discretion, may elect to pay the winners their share of the funds held in the GPP.

All annuitized prizes shall be paid annually in thirty (30) payments with the initial payment being made in a single payment, to be followed by twenty-nine (29) payments funded by the annuity. Except as may be controlled by a Selling Lottery’s governing statute, all annuitized prizes shall be paid annually in thirty (30) graduated payments (increasing each year) by a rate as determined by the Product Group. Prize payments may be rounded down to the nearest one thousand dollars (\$1,000.00). Annual payments after the initial payment shall be made by the lottery on the anniversary date or if such date falls on a non-business day, then the first business day following the anniversary date of the selection of the Grand Prize Winning Numbers.

Funds for the initial payment of an annuitized prize or the lump sum cash option prize payment shall be made available by MUSL for payment by the Selling Lottery no earlier than the fifteenth calendar day (or the next banking day if the fifteenth day is a holiday) following the drawing. If necessary, when the due date for the payment of a prize occurs before the receipt of funds in the prize pool trust sufficient to pay the prize, the transfer of funds for the payment of the full lump sum cash option amount may be delayed pending receipt of funds from the Selling Lotteries. A paying lottery may elect to make the initial payment from its own funds after validation, with notice to MUSL.

If a Party Lottery purchases or holds the prize payment annuity for a prize won in that jurisdiction, that Party Lottery’s game rules, and any prize payment agreement with the prize winner, shall indicate that the prize winner has no recourse on the MUSL or any other Party Lottery for payment of that prize.

In the event of the death of a lottery winner during the annuity payment period, unless prohibited by jurisdictional law, the MUSL Finance & Audit Committee, in its sole discretion

excepting a discretionary review by the Product Group, upon the petition of the estate of the lottery winner (the "Estate") to the lottery of the jurisdiction in which the deceased lottery winner purchased the winning play, and subject to federal, state, district, or territorial applicable laws, may accelerate the payment of all of the remaining lottery proceeds to the Estate. If such a determination is made, then securities and/or cash held to fund the deceased lottery winner's annuitized prize may be distributed to the Estate. The identification of the securities to fund the annuitized prize shall be at the sole discretion of the Finance & Audit Committee or the Product Group.

*Amended September 9, 1998, December 21, 1998, March 15, 1999, February 3, 2002; July 5, 2002; May 4, 2005; October 11, 2006; August 20, 2008; December 8-9, 2009; November 15, 2012; June 25, 2013 to be effective October 1, 2013; June 5, 2014; December 10, 2014; May 22, 2015 to be effective with the October 7, 2015 drawing; October 22, 2015 to be effective with the February 3, 2016 drawing; June 15, 2016 to be effective with the drawing on October 19, 2016.*

*Comment. Changes made to this Rule on December 21, 1998, are intended to provide players with the advantages offered by the changes made to 26 U.S.C. §451. These rules should be interpreted in a manner that is consistent with the purposes, requirements, and restrictions of that code section. On September 9, 1998, the Product Group mandated a delay in payment to a Selling Lottery until the validation of the claim. On July 8, 2005, the Product Group set the graduated rate at four percent (4%) per year. On August 20, 2008, the Product Group authorized the use of a Party Lottery's share of MUSL non-game earnings to fund annuity payments, as may be needed, in a manner other than provided for in this rule, due to mandates of local statute. Due to its jurisdictional law, on November 15, 2012, the Powerball Group concluded that the provisions relating to acceleration of annuity payments to an estate shall not be applicable to the California Lottery. On May 22, 2015 (to be effective with the October 7, 2015 drawing), the Product Group set the graduated rate at five percent (5%) per year.*

**30.2 Powerball Prize Payments.** All prizes (whether described as “cash” payment prizes or otherwise) shall be paid through the Selling Lottery that sold the winning play(s) and at the discretion of the Selling Lottery that sold the winning play(s) may be paid by cash, check, warrant or electronic transfer.

A Selling Lottery may begin paying low-tier prizes after receiving authorization to pay from the MUSL central office. If a Selling Lottery, due to jurisdictional law requirements, separately determines its low-tier prize amounts, it shall be solely responsible for its low-tier prize liability, and may begin paying low-tier prizes after a drawing when it determines appropriate to do so.

*Amended December 8-9, 2009; November 15, 2012; June 5, 2014; December 10, 2014; May 22, 2015 to be effective with the October 7, 2015 drawing.*

*Comment: Due to jurisdictional law requirements, on November 15, 2012, the Powerball Group concluded that the California Lottery shall separately determine the low-tier prize values for that jurisdiction.*

**30.3 Powerball Prizes Rounded.** Annuitized payments of the Grand Prize or a share of the Grand Prize may be rounded to facilitate the purchase of an appropriate funding mechanism. Breakage on an annuitized Grand Prize win shall be added to the first payment to the winner or winners. Prizes other than the Grand Prize, which, under these rules, may become single-payment, pari-mutuel prizes, may be rounded down so that prizes can be paid in multiples of whole dollars. Except with regards to low-tier prizes paid by a Selling Lottery which separately determines its low-tier prize amounts pursuant to Rule 30.2, breakage resulting from rounding these prizes shall be carried forward to the prize pool for the next drawing.

*Amended November 15, 2012; June 5, 2014; December 10, 2014.*

*Comment: Due to jurisdictional law requirements, on November 15, 2012, the Powerball Group concluded that the California Lottery shall separately determine the low-tier prize values for that jurisdiction.*

**30.4 Powerball Prize Rollover.** If the Grand Prize is not won in a drawing, the prize money allocated for the Grand Prize shall roll over and be added to the GPP for the following drawing.

*Amended July 5, 2002; June 24, 2011 and effective for draws beginning January 18, 2012; December 10, 2014; May 22, 2015 to be effective with the October 7, 2015 drawing; October 22, 2015 to be effective with the February 3, 2016 drawing.*

**30.5 Funding of Guaranteed Powerball Prizes.**

**30.5(a)** The Product Group may offer guaranteed minimum Grand Prize amounts or minimum increases in the Grand Prize amount between drawings or make other changes in the allocation of prize money where the Product Group finds that it would be in the best interest of the game.

*Amended June 15, 2016 to be effective with the drawing on October 19, 2016.*

**30.5(b)** If a minimum Grand Prize amount or a minimum increase in the Grand Prize amount between drawings is offered by the Product Group, then the Grand Prize shares shall be determined as follows:

**30.5(b)(1)** If there are multiple Grand Prize winners during a single drawing, each selecting the annuitized option prize, then a winner's share of the guaranteed annuitized Grand Prize shall be determined by dividing the guaranteed annuitized Grand Prize by the number of winning plays;

**30.5(b)(2)** If there are multiple Grand Prize winners during a single drawing and at least one (1) of the Grand Prize winners has elected the annuitized option prize, then the MUSL Annuity Factor shall be utilized to determine the cash pool. The cost of the annuitized prize(s) will be determined at the time the annuity is purchased through a process as approved by the MUSL Board;

**30.5(b)(3)** If no winner of the Grand Prize during a single drawing has elected the annuitized option prize, then the amount of cash in the GPP shall be an amount equal to the guaranteed annuitized amount divided by the MUSL Annuity Factor.

*Amended June 15, 2016 to be effective with the drawing on October 19, 2016.*

**30.5(c)** Minimum guaranteed prizes or increases may be waived if the alternate funding mechanism set out in Rule 28.3(1)(c) becomes necessary. Approval of the Group is required to change the guaranteed minimum Grand Prize amounts or minimum increases in the Grand Prize amount. Any reduction in the guaranteed minimum Grand Prize amount or reduction in the minimum increases to the Grand Prize amount shall not become effective until after a Grand Prize win following the action taken by the Group.

*Amended November 15, 2012; June 25, 2013 to be effective October 1, 2013; December 10, 2014; May 22, 2015 to be effective with the October 7, 2015 drawing; October 22, 2015 to be effective with the February 3, 2016 drawing; June 15, 2016 to be effective with the drawing on October 19, 2016.*

*Comment: The SAP has a cap of \$20 million dollars.*

*The Product Group has determined that the minimum Grand Prize shall be \$40 million annuity and the minimum increases in the Grand Prize shall be \$10 million annuity between draws. The Group may change guaranteed minimum Grand Prize amounts for future draws at any time.*

*Comment last amended June 15, 2016 to be effective with the drawing on October 19, 2016.*

**30.6 Limited to Highest Powerball Prize Won.** The holder of a winning play may win only one (1) prize per play in connection with the Winning Numbers drawn and shall be entitled only to the prize won by those numbers in the highest matching prize category. All liabilities for a Powerball prize are discharged upon payment of a prize claim.

*Amended November 15, 2012; December 10, 2014; May 22, 2015 to be effective with the October 7, 2015 drawing; June 15, 2016 to be effective with the drawing on October 19, 2016.*

**30.7 Powerball Prize Claim Period.** Prize claims shall be submitted within the period set by the Selling Lottery selling the play. If no such claim period is established, all Grand Prize claims shall be made within one hundred eighty (180) days after the drawing date.

*Amended November 15, 2012; December 10, 2014; May 22, 2015 to be effective with the October 7, 2015 drawing.*

#### **PB RULE 31—TICKET VALIDATION.**

To be a valid play and eligible to receive a prize, a play's ticket or ticketless transaction shall satisfy all the requirements established by a Selling Lottery for validation of winning plays sold through its gaming system and any other validation requirements adopted by the Product Group, the MUSL Board, and published as the Confidential MUSL Minimum Game Security Standards. The MUSL and the Selling Lotteries shall not be responsible for tickets or ticketless transactions that are altered in any manner.

*Amended November 15, 2012; June 5, 2014; May 22, 2015 to be effective with the October 7, 2015 drawing.*

#### **PB RULE 32—TICKET RESPONSIBILITY.**

**32.1 Prize Claims.** Prize claim procedures shall be governed by the rules of the selling lottery. The MUSL and the Selling Lotteries shall not be responsible for prizes that are not claimed following the proper procedures as determined by the selling lottery.

*Amended November 20, 1998; December 21, 1998; October 5, 2004; November 15, 2012; June 25, 2013.*

#### **32.2 Reserved.**

*Amended November 20, 1998; November 15, 2012; June 25, 2013.*

**32.3 Stolen Tickets.** The Product Group, the MUSL and the Party Lotteries shall not be responsible for lost or stolen tickets.

**32.4 Ticketless Transactions.** A receipt for a ticketless transaction play has no value and is not evidence of a play. A ticketless transaction play is valid when registered with the lottery in accordance with lottery rules and the person or, if permitted by the lottery rules, the persons registering the play shall be the owner of the ticketless transaction play.

*Adopted February 1, 2006. Amended June 25, 2013; December 10, 2014; May 22, 2015 to be effective with the October 7, 2015 drawing.*

**PB RULE 33—INELIGIBLE PLAYERS.**

**33.1** A play or share for a MUSL game issued by the MUSL or any of its Party Lotteries shall not be purchased by, and a prize won by any such play or share shall not be paid to:

- (a) a MUSL employee, officer, or director;
- (b) a contractor or consultant under agreement with the MUSL to review the MUSL audit and security procedures;
- (c) an employee of an independent accounting firm under contract with MUSL to observe drawings or site operations and actually assigned to the MUSL account and all partners, shareholders, or owners in the local office of the firm; or
- (d) an immediate family member (parent, stepparent, child, stepchild, spouse, or sibling) of an individual described in subsections (a), (b), and (c) and residing in the same household.

*Amended September 30, 1996; November 15, 2012; May 22, 2015 to be effective with the October 7, 2015 drawing.*

**33.2** Those persons designated by a Selling Lottery's law as ineligible to play its games shall also be ineligible to play the Powerball game in that Selling Lottery's jurisdiction.

*Amended June 15, 2016 to be effective with the drawing on October 19, 2016.*

**PB RULE 34—APPLICABLE LAW.**

In purchasing a play, or attempting to claim a prize, purchasers and prize claimants agree to comply with and abide by all applicable laws, rules, regulations, procedures, and decisions of the Selling Lottery where the play was purchased, and by directives and determinations of the director of that Party Lottery.

A prize claimant agrees, as its sole and exclusive remedy that claims arising out of a Powerball Play can only be pursued against the Selling Lottery which issued the Play. Litigation, if any, shall only be maintained within the jurisdiction in which the Powerball Play was purchased and only against the Selling Lottery that issued the play. No claim shall be made against any other Participating Lottery or against the MUSL

Nothing in these Rules shall be construed as a waiver of any defense or claim the Selling Lottery which issued the Play, any other Participating Lottery or MUSL may have in any litigation, including in the event a player or prize claimant pursues litigation against the Selling Lottery, any other Participating Lottery or MUSL, or their respective officers, directors or employees.

All decisions made by a Selling Lottery, including the declaration of prizes and the payment thereof and the interpretation of Powerball Rules, shall be final and binding on all Play purchasers and on every person making a prize claim in respect thereof, but only in the jurisdiction where the Powerball Play was issued.

Unless the laws, rules, regulations, procedures, and decisions of the Lottery which issued the Play provide otherwise, no prize shall be paid upon a Play purchased, claimed or sold in violation of these Rules or the laws, rules, regulations, procedures, and decisions of that Selling Lottery; any such prize claimed but unpaid shall constitute an unclaimed prize under these Rules and the laws, rules, regulations, procedures, and decisions of that Selling Lottery.

*Amended May 22, 2015 to be effective with the October 7, 2015 drawing; June 15, 2016 to be effective with the drawing on October 19, 2016.*



**PART III – POWERBALL POWER PLAY PROMOTION.**

*Adopted January 26, 2001. Last Amended June 15, 2016 to be effective with the drawing on October 19, 2016.*

**APPLICABILITY OF THESE RULES:** The Part III Power Play Promotion Rules are applicable to all Selling Lotteries, except as may be controlled by a Selling Lottery’s governing jurisdiction statute. The Product Group shall reach an agreement with such lotteries that will permit the operation of the promotion in a manner consistent with statute.

*Adopted December 8-9, 2009; Amended November 15, 2012; May 22, 2015 to be effective with the October 7, 2015 drawing.*

*Comment: Due to its jurisdictional law requirements, the California Lottery will not offer the Power Play promotion.*

**PB RULE A — PROMOTION DESCRIPTION.**

The Powerball Power Play promotion is a limited extension of the Powerball game and is conducted in accordance with the Powerball game rules and other lottery rules applicable to the Powerball game, except as may be amended herein. The promotion will begin at a time announced by the Selling Lottery and will continue until discontinued by the lottery. The promotion will offer to the owners of a qualifying play a chance to increase the amount of any of the eight (8) lowest Set Prizes (the prizes normally paying four dollars (\$4.00) to one million dollars (\$1,000,000.00)) won in a drawing held during the promotion. The Grand Prize is not a Set Prize and will not be increased.

*Amended July 5, 2002; May 4, 2005; August 25, 2010; June 24, 2011 and effective for draws beginning January 18, 2012; November 15, 2012; June 5, 2014; May 22, 2015 to be effective with the October 7, 2015 drawing.*

**PB RULE B — QUALIFYING PLAY.**

A qualifying play is any single Powerball play for which the player pays an extra dollar for the Power Play option play and that is recorded at the Selling Lottery’s central computer as a qualifying play.

*Amended November 15, 2012; May 22, 2015 to be effective with the October 7, 2015 drawing.*

**PB RULE C – PRIZES TO BE INCREASED.**

Except as provided in these rules, a qualifying play which wins one of seven lowest Set Prizes (excluding the Match 5+0 prize) will be multiplied by the number selected, either two, three, four, five or sometimes ten (2, 3, 4, 5 or sometimes 10), in a separate random Power Play drawing announced during the official Powerball drawing show. The ten (10X) multiplier will be available for drawings in which the initially advertised annuitized Grand Prize amount is one hundred fifty million dollars (\$150,000,000.00) or less. The announced Match 5+0 prize, for players selecting the Power Play option, shall be two million dollars (\$2,000,000.00) unless a higher limited promotional dollar amount is announced by the Group.

*Amended July 5, 2002; August 20, 2008; August 25, 2010; June 24, 2011 and effective for draws beginning January 18, 2012; November 15, 2012; June 25, 2013 to be effective for the drawing on January 22, 2014; June 5, 2014; May 22, 2015 and June 25, 2015 to be effective with the October 7, 2015 drawing.*

**PB RULE D — POWER PLAY DRAWS.**

MUSL will conduct a separate random “Power Play” drawing and announce results during each of the regular Powerball drawings held during the promotion. During each Power Play drawing a single number (2, 3, 4, 5 and sometimes 10) shall be drawn. The ten (10X) multiplier shall be available for all drawings in which the initially advertised Grand Prize amount is one hundred fifty million dollars (\$150,000,000.00) or less. The Powerball Group may modify the multiplier features for special promotions from time to time.

*Amended June 25, 2013 to be effective for the drawing on January 22, 2014; June 5, 2014; May 22, 2015 and June 25, 2015 to be effective with the October 7, 2015 drawing; October 22, 2015.*

**PB RULE E — PRIZE POOL.**

**E(1) Power Play Prize Pool.**

(a) The Power Play Prize Pool (PPP) is hereby created, which is used to fund Power Play prizes. The PPP shall hold the temporary balances that may result from having fewer than expected winners in the Power Play. The source of the PPP is the Party Lottery’s weekly prize contributions less actual Power Play Prize liability.

(b) In total, fifty percent (50%) of each draw’s sales shall be collected for the payment of prizes:

(1) In drawings where the ten (10X) multiplier is available, the expected payout for all prize categories shall consist of up to forty-nine and nine hundred sixty-nine thousandths percent (49.969%) of each drawing period's sales, including any specific statutorily mandated tax of a Selling Lottery to be included in the price of a lottery ticket. In drawings where the “ten (10)” multiplier is not available, the expected payout for all prize categories shall consist of up to forty-five and nine hundred thirty-four thousandths percent (45.934%) of each drawing period's sales, including any specific statutorily mandated tax of a Selling Lottery to be included in the price of a lottery ticket.

(2) In drawings where the ten (10X) multiplier is available, an additional thirty-one thousandths percent (0.031%) of each drawing period's sales, including any specific statutorily mandated tax of a Selling Lottery to be included in the price of a lottery ticket, may be collected and placed in trust in the PPP, for the purpose of paying Power Play prizes. In drawings where the ten (10X) multiplier is not available, an additional four and sixty-six thousandths percent (4.066%) of each drawing period's sales, including any specific statutorily mandated tax of a Selling Lottery to be included in the price of a lottery ticket, may be collected and placed in trust in the PPP, for the purpose of paying Power Play prizes.

(c) The prize payout percentage per draw may vary. The PPP shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the Power Play prizes awarded in the current draw and held in the PPP.

*Amended May 4, 2005; August 20, 2008; December 8-9, 2009; June 24, 2011 effective for draws beginning January 18, 2012; November 15, 2012; June 25, 2013 to be effective with the drawing on January 22, 2014; May 22, 2015 and June 25, 2015 to be effective with the October 7, 2015 drawing; September 23, 2015 to be effective with the October 7, 2015 drawing; June 15, 2016 to be effective with the drawing on October 19, 2016*



**MULTI-STATE LOTTERY ASSOCIATION – POWERBALL GROUP RULES**

**E(2) Licensee Lotteries.** Licensee Lotteries shall adhere to PB Rule E(1) unless a different process is approved by the Product Group.

*Adopted December 8-9, 2009. Amended May 22, 2015 to be effective with the October 7, 2015 drawing.*

*Comment. At its meeting on December 8-9, 2009, and under the terms of the Cross-Selling Agreement, the Product Group agreed to exclude the Licensee Lotteries involved in the cross-selling initiative of Powerball and Mega Millions from PB Rule E(2) and such lotteries shall be responsible for the payment of all prizes won in those jurisdictions.*

**E(3) End of Game.**

Any amount remaining in the PPP when the Product Group declares the end of this game shall be returned to the lotteries participating in the account after the end of all claim periods of all Selling Lotteries, carried forward to a replacement game, or otherwise expended in a manner at the election of the individual Members of the Product Group in accordance with jurisdiction statute.

*Amended June 24, 2011 effective for draws beginning January 18, 2012; November 15, 2012; June 25, 2013 to be effective for the drawing on January 22, 2014; June 5, 2014; May 22, 2015 to be effective with the October 7, 2015 drawing; June 15, 2016 to be effective with the drawing on October 19, 2016.*

**E(4) Expected Prize Payout.**

	Prize Amount		Regardless of Power Play number selected:				
	Set Prize Amount	10X	5X	4X	3X	2X	
Match 5+0	\$1,000,000.00	\$2,000,000.00	\$2,000,000.00	\$2,000,000.00	\$2,000,000.00	\$2,000,000.00	
Match 4+1	\$50,000.00	\$500,000.00	\$250,000.00	\$200,000.00	\$150,000.00	\$100,000.00	
Match 4+0	\$ 100.00	\$1,000.00	\$500.00	\$400.00	\$300.00	\$200.00	
Match 3+1	\$ 100.00	\$1,000.00	\$500.00	\$400.00	\$300.00	\$200.00	
Match 3+0	\$ 7.00	\$70.00	\$35.00	\$28.00	\$21.00	\$14.00	
Match 2+1	\$ 7.00	\$70.00	\$35.00	\$28.00	\$21.00	\$14.00	
Match 1+1	\$ 4.00	\$40.00	\$20.00	\$16.00	\$12.00	\$8.00	
Match 0+1	\$ 4.00	\$40.00	\$20.00	\$16.00	\$12.00	\$8.00	

In certain rare instances, the Powerball set prize amount may be less than the amount shown. In such case, the eight (8) lowest Power Play prizes will be changed to an amount announced after the draw. For example, if the Match 4+1 Powerball set prize amount of \$50,000.00 becomes \$25,000.00 under the rules of the Powerball game and a 5x Power Play multiplier is selected, then a Power Play player winning that prize amount would win \$125,000.00.

*Amended July 5, 2002, May 4, 2005; August 20, 2008; August 25, 2010; June 24, 2011 and effective for draws beginning draw January 18, 2012; November 15, 2012; June 25, 2013 to be effective with the drawing on January 22, 2014; May 22, 2015 to be effective with the October 7, 2015 drawing.*

**PB RULE F — PROBABILITY OF WINNING.**

The following table sets forth the probability of the various Power Play numbers being drawn during a single Powerball drawing, except that the Power Play amount for the Match 5+0 prize will be two million dollars (\$2,000,000). The Group may elect to run limited promotions that may modify the multiplier features.

**When the 10x multiplier is available:**

<b>Power Play</b>	<b>Probability of Prize Increase</b>	<b>Chance of Occurrence</b>
10X - Prize Won Times 10	1 in 43	2.3255%
5X - Prize Won Times 5	2 in 43	4.6512%
4X - Prize Won Times 4	3 in 43	6.9767%
3X - Prize Won Times 3	13 in 43	30.2326%
2X - Prize Won Times 2	24 in 43	55.8140%

**When the 10x multiplier is not available:**

<b>Power Play</b>	<b>Probability of Prize Increase</b>	<b>Chance of Occurrence</b>
10X - Prize Won Times 10	0 in 42	0.00%
5X - Prize Won Times 5	2 in 42	4.7619%
4X - Prize Won Times 4	3 in 42	7.1429%
3X - Prize Won Times 3	13 in 42	30.9523%
2X - Prize Won Times 2	24 in 42	57.1429%

Power Play does not apply to the Grand Prize. Except as provided in Rule E(4), a Power Play Match 5 prize is set at two million dollars (\$2 million), regardless of the multiplier selected.

*Amended June 25, 2013 to be effective with the drawing on January 22, 2014; June 5, 2014; May 22, 2015 and June 25, 2015 to be effective with the October 7, 2015 drawing.*

**PB RULE G — LIMITATIONS ON PAYMENT OF POWER PLAY PRIZES.**

**G(1) Prize Pool Carried Forward.** For Party Lotteries, the prize pool percentage allocated to the Power Play set prizes shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the set prizes awarded in the current draw.

*Amended December 8-9, 2009; May 22, 2015 to be effective with the October 7, 2015 drawing.*

**G(2)(a) Pari-Mutuel Prizes—All Prize Amounts.** Except as provided for in in (G)(2)(c), for Party Lotteries:

**G(2)(a)(1)** If the total of the original Powerball set prizes and the Power Play prizes awarded in a drawing exceeds the percentage of the prize pools allocated to the set prizes, then the amount needed to fund the set prizes (including the Power Play prize amounts) awarded shall be drawn from the following sources, in the following order:

- (i) the amount available in the SPP and the PPP, if any;
- (ii) an amount from the Powerball SPRA, if available in the account, not to exceed forty million dollars (\$40,000,000.00) per drawing; and
- (iii) other amounts as agreed to by the Product Group in their sole discretion.

**(G)(2)(a)(2)** If, after these sources are depleted, there are not sufficient funds to pay the set prizes awarded (including Power Play prize amounts), then the highest set prize (including the Power Play prize amounts) shall become a pari-mutuel prize. If the amount of the highest set prize, when paid on 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, including the Power Play prize amount, shall become a pari-mutuel prize. This procedure shall continue down through all set prizes 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. Powerball and Power Play prizes will be reduced by the same percentage.

*Amended August 20, 2008; December 8-9, 2009; August 25, 2010; June 12, 2012; November 15, 2012; June 25, 2013 to be effective October 1, 2013; May 22, 2015 to be effective with the October 7, 2015 drawing; June 15, 2016 to be effective with the drawing on October 19, 2016.*

*Comment. By action on January 7, 2009, the Product Group agreed to combine the Powerball and Power Play prize pools in the rare instance when the set prizes, pursuant to the rules, are paid on a pari-mutuel basis, so that the Power Play prize amounts, as provided for in the rules, will remain in effect for all prize levels. Comment amended May 22, 2015 to be effective with the October 7, 2015 drawing; October 22, 2015 to be effective with the February 3, 2016 drawing.*

**(G)(2)(b) Licensee Lotteries.** Licensee Lotteries shall adhere to PB Rule G(2)(a) unless a different process is approved by the Product Group.

*Adopted December 8-9, 2009; May 22, 2015 to be effective with the October 7, 2015 drawing.*

*Comment. At its meeting on December 8-9, 2009, and under the terms of the Cross-Selling Agreement, the Product Group agreed to exclude the Licensed Lotteries involved in the cross-selling initiative of Powerball and Mega Millions from PB Rule G(2)(a) and such lotteries shall be responsible for the payment of all prizes won in those jurisdictions.*

**(G)(2)(c)** By agreement with the Licensee Lotteries, the Licensee Lotteries shall independently calculate their set pari-mutuel prize amounts, including the Power Play prize amounts. The Party Lotteries and the Licensee Lotteries shall then agree to set the pari-mutuel prize amounts for all lotteries selling the game at the lesser of the independently-calculated prize amounts.

*Amended June 25, 2013 to be effective October 1, 2013; May 22, 2015 to be effective with the October 7, 2015 drawing.*

*Comment. The California Lottery is excluded from the Party Lotteries and other Licensee Lotteries pari-mutuel prize calculations.*

## **PB RULE H – PRIZE PAYMENT**

**H(1) Prize Payments.** All Power Play prizes shall be paid in one single payment through the Selling Lottery that sold the winning ticket(s). A Selling Lottery may begin paying Power Play prizes after receiving authorization to pay from the MUSL central office.

*Amended May 22, 2015 to be effective with the October 7, 2015 drawing.*

**H(2) Prizes Rounded.** Prizes that, under these rules, may become pari-mutuel prizes, may be rounded down so that prizes can be paid in whole dollars. Breakage resulting from rounding these prizes shall be carried forward to the prize pool for the next drawing.

*Amended August 25, 2010; November 15, 2012; June 5, 2014; May 22, 2015 to be effective with the October 7, 2015 drawing.*

*Part IV Repealed May 22, 2015.*