**AMENDED**: February 18, 2021 **EFFECTIVE**: August 23, 2021

## **POWERBALL RULES**

5 OUT OF 69 AND 1 OUT OF 26

The following rules have been adopted by the New Jersey State Lottery Commission pursuant to the authorization contained in N.J.S.A. 5:9-7 and shall govern the operation of POWERBALL Lottery game. The rules are as follows:

# 1. **DEFINITIONS**

**Advertised Grand Prize** - means the estimated annuitized jackpot prize amount as determined by the MUSL Central Office by use of the MUSL Annuity Factor and communicated through the Party 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 Grand Prize due to circumstances outlined in these Official Game Rules.

**Authorized Claim Center** - means any POWERBALL Agent or Retailer, or Party Lottery office in the state where the winning Official POWERBALL ticket being claimed was purchased.

**Claimant** - means any person or entity submitting a claim form within the required time period to collect a prize for an Official POWERBALL ticket. A Claimant may be the Purchaser, the person or entity named on a signed Official POWERBALL ticket, the bearer of an unsigned Official POWERBALL ticket, or any other person or entity who may seek entitlement to a POWERBALL prize payment in accordance with the POWERBALL Rules and Party Lottery governing laws, policies and rules.

Claim Limitation Period or Expiration Period - means the requirement that a Winning Ticket Prize must be claimed within one (1) year of the valid Drawing date for which it was purchased. One (1) year means the anniversary date of the Drawing unless the draw date is February 29th in which case the anniversary date is considered to be March 1st. All claims submitted beyond the one (1) year period are not eligible for Prize awards. Prizes that are not claimed within the Claim Limitation Period are known as Unclaimed or Expired Prizes.

**Directors** - means the chief officers of the Party Lotteries or any other persons to whom the Directors' authority is lawfully delegated.

**Drawing(s)** - means 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 games and the Power Play multiplier.

**Grand Prize** - means the top prize in the Powerball Game.

**Leap Day** – means February 29, which occurs every fourth year. Leap Day shall not count for purposes of Prize calculation.

Lottery - means the New Jersey Lottery.

**Lottery Director** - means the Executive Director of the New Jersey Lottery.

Matrix - means the pool of numbers from five (5) out of sixty-nine (69) and one (1) out of twenty-six (26). "Matrix A" is the pool of numbers from five (5) out of sixty-nine (69). "Matrix B" is the pool of number from one (1) out of twenty-six (26).

**MUSL** - means the Multi-State Lottery Association, a government-benefit association that operates the multi-state Powerball lotto game.

**MUSL Annuity Factor** - means 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.

MUSL Board - means the governing body of MUSL.

**Multi-Draw** - means a Game feature which allows a Player to select Plays for a limited number of consecutive Drawings, starting with the next scheduled Drawing. The cost of a Multi-Draw Ticket depends on how many Draws and how many Plays are selected.

**Party Lottery or Lotteries** - means a state lottery or lottery of a political subdivision or entity that is authorized by the MUSL to sell the Powerball Game.

Pari-Mutuel – means the Prize Pool is divided by the number of Winning Tickets for a Prize Level.

Play or Wager – means for each time play a Player selects five (5) different numbers from Matrix A and one (1) additional number from Matrix B. The additional number may be the same number as one (1) of the five (5) numbers a Player selects from Matrix A. A Player may select numbers by orally communicating the six (6) numbers to a Lottery Retailer; by marking five (5) numbered spaces in Matrix A and one (1) numbered space in Matrix B on a Powerball Play Slip and submitting it to a Retailer; or by requesting a Quick Pick from a Retailer. Additionally, the Lottery may authorize other means to place a Wager. At the time a Player selects numbers constituting a Play, the Player must select between either receiving the Grand Prize under the Annuity Option or the Cash Option. The Retailer shall then issue a Ticket containing the selected set or sets of numbers and the Prize payment option, each of which constitutes a Play. Each Powerball Play costs \$2.00. Each Power Play costs \$1.00 per Play.

**Plays per Ticket** - means the number of Plays printed on a single Ticket. A POWERBALL TICKET can have up to five (5) Plays per Ticket.

**Play Slip/Bet Slip** - means an optically readable card on paper stock issued by the Lottery that a Player uses to make a POWERBALL Play or Plays.

**POWERBALL Sales Cut-off** - means the time after which Lottery Plays will not be accepted for that Drawing. The Sales Cut-Off occurs Monday through Sunday at approximately 9:59 PM Eastern Time.

**POWERBALL Ticket** - means an official game ticket, produced on official paper stock by a POWERBALL Agent or Retailer in an authorized manner, bearing player or computer selected numbers, game name, drawing date, amount of Wager, and validation data.

**POWERBALL Winning Numbers** – means the game results selected during a Drawing which shall be used to determine winning Plays contained on a game ticket or ticketless transaction. .

**Power Play** - means a feature that gives players the opportunity to multiply their potential winnings by 2, 3, 4, 5 or sometimes 10 times the original amount (excluding the Grand and Match 5+0 Bonus prizes). At specially designated times, specifically when the initially Advertised (Annuity) Grand Prize amount is one hundred fifty million dollars (\$150,000,000.00) or less, an option to include a 10 multiplier will give players the opportunity to multiply their potential winnings by 10 times the original amount (excluding the Grand and Match 5+0 Bonus prizes).

The Power Play multiplier for the Match 5+0 Second Tier Prize Category shall be fixed at a minimum of two (2). The Match 5+0 prize will be \$2 million for a Match 5+0 win when the Power Play option is purchased as an add-on to a Powerball play. All set prizes and Power Play prizes, including the Match 5+0 Second Tier Prize Category, may be reduced if claims exceed available prize fund. The multiplier feature, including the Match 5+0 Second Tier Prize Category, may be increased for promotional purposes and for limited time, at the discretion of the Party Lotteries.

**Pre-Selection** – means that a Player must select at the time of purchasing the Ticket between either receiving the Grand Prize in annuity installments (Annuity Option) or receiving the Grand Prize in a lump sum cash payment (Cash Option).

**Prize Fund** - means that portion of POWERBALL gross sales set aside for the payment of prizes. The Prize Fund for any drawing is expected to be 50% of sales, but may be higher or lower based upon the number of winners at each fixed prize level, as well as the funding required to meet the advertised Grand Prize.

**Purchaser(s) or Player(s)** - means a Player of POWERBALL who purchases a Ticket within New Jersey in accordance with these Official Game Rules and New Jersey laws and regulations.

**Quick Pick** - means a game feature that allows the player to have the Terminal randomly select the Powerball numbers for an individual play.

**Retailer or Agent** - means a person licensed and authorized by the New Jersey Lottery to sell Lottery Tickets pursuant to N.J.S.A. 5:9-1 et seq., and the rules of the New Jersey Lottery Commission.

**Set 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 MUSL Board for the prize level.

**Terminal** - means a device that is authorized by the Lottery to interact with the Lottery's central computer system to issue New Jersey Lottery Tickets and to enter, receive and process Lottery transactions that may include issuing Tickets, validating Tickets and transmitting reports. This includes Player self-service Terminals (PSST) for the purchase of Powerball Tickets. When using a PSST, the Player may make number selections by

inserting a completed Bet Slip into the PSST's optical mark reader, or by manually entering the selections on the PSST touch screen or selecting a Quick Pick option. Note: some PSST's may not support all of the differing methods of number selection.

**Ticket(s)** - means an official Powerball Game ticket, produced on official paper stock by a Retailer in an authorized manner, bearing Player or computer selected numbers, Game name, Drawing date, amount of Wager, and validation data.

**Ticketless Transaction** - means Plays sold through subscription, internet or non-standard terminals.

**Unclaimed Prize or Expired Prize** - means any Prize for a Winning Ticket that has not been presented for payment within the Claim Limitation Period.

Wager - see "Play."

Winning Numbers - means the five (5) one- (1) or two- (2) digit numbers and the one (1) one (1) or two (2) digit number, randomly selected during a Powerball Drawing, that shall be used to determine the Winning Play.

Winning Play - means the Play(s) that matches the Winning Numbers.

**Winning Ticket** - means a Ticket that has passed all Lottery validation and security requirements and that contains the Winning Play. Each Winning Ticket must meet Lottery validation requirements.

#### 2. GAME PLAY

- a. The lottery game in which the ticket purchaser selects, or has the computer randomly assign five (5) numbers from Matrix A which includes a range of consecutive numbers from one (1) to sixty-nine (69) and one (1) number from Matrix B which includes a range of consecutive numbers from one (1) to twenty-six (26), shall be called POWERBALL and all Lottery Tickets issued for this game shall be clearly identified with the name of the game and the date or dates of the drawing(s) for which they apply.
- b. POWERBALL Tickets will be sold every day during the normal business hours of the agents authorized to sell said Tickets. The sale period for any given POWERBALL Lottery date will terminate on the date of the drawing at 9:59 pm Eastern Time.
- c. Lottery Tickets for POWERBALL will be available only from certain designated Lottery agents who have been selected by the Lottery Director.
- d. The price of a single Wager shall be \$2.00, except that the Lottery Director may establish a discount for promotional purposes.
- e. The Power Play option may be purchased for an additional \$1.00, per play, or multiples thereof in the case of a Multi-Draw Wager, at the discretion of the Purchaser.

- f. The Agent-operated, gaming-system terminals will have the capacity to:
  - i. Handle advance sales as may be implemented at the Lottery Director's discretion.
  - ii. Issue POWERBALL Tickets for \$2.00 and in multiples of \$2.00 up to \$10.00.
  - iii. Issue POWERBALL Quick Pick Tickets for \$2.00 and in multiples of \$2.00 up to \$10.00.
  - iv. Validate all POWERBALL Tickets for a period of one year from the date of drawing.
- g. POWERBALL Tickets may not be canceled.
- h. Purchasers may submit a manually completed POWERBALL Bet Slip to an Agent to have issued a POWERBALL ticket. Bet Slips shall be available at no cost to the Purchaser and shall have no pecuniary or prize value, and shall not constitute evidence of purchase or number selections. The use of mechanical, electronic, computer generated or any other non-manual method of marking Bet Slips is prohibited.
- i. Purchasers may orally convey their selections to a POWERBALL Agent to have issued a POWERBALL ticket. Such selections shall be manually entered into the gaming-system Terminal by the Agent.
- j. Terminals (SSTs), purchasers may utilize POSTs or SSTs for the purchase of POWERBALL Tickets, and may make number selections by inserting a completed Bet Slip into the POST's or SST's optical mark reader, or by manually entering the selections on the POST or SST touch screen or selecting a Quick Pick/Easy Pick option.
- k. The type of bets and the amount of the prizes for POWERBALL shall be determined as follows:

  The purchaser shall select or Quick Pick any five (5) numbers for Matrix A, from a range of consecutive numbers of 1 through 69 and one (1) number from Matrix B from a range of consecutive numbers of 1 through 26. Bet selections of less than or more than six (6) numbers will be impermissible.
- I. It shall be the sole responsibility of the Purchaser to verify the accuracy and condition of the data printed on the POWERBALL ticket at the time of purchase.
- m. The purchaser must make a Pre-Selection at the time of purchase from one of the following methods of Prize payment for the Grand Prize only:
  - <u>Cash Option</u>- The Cash Option is paid in a one-time lump sum. The estimated Cash Value of the Cash Option for the Grand Prize is posted on the Lottery website (njlottery.com). Once the Cash Option is selected under this subparagraph, the selection is irrevocable, and the Player may not change their selection.
  - Annuity Option- If a Player selects the Annuity Option at the time of purchase, the Player will have the option of changing the selection to the Cash Option at the time of Prize claim. Should the Player choose to change to the Cash Option, the Player must sign an irrevocable Prize payout election form stating that the Player understands that they are under no obligation to elect to take the lump sum Cash Option and may continue with the option to take the Prize as an annuity under the Annuity Option.

- n. Whenever a player wins an annuity installment prize AND has not chosen in advance to select a single cash payment, when the option is available under the immediately preceding paragraphs, the player shall have another opportunity to select receiving a single cash payment, after the player
  - 1) Reviews the Lottery's disclosure of the methodology used to compute the single cash payment; and
  - Signs an irrevocable prize payout election form stating that the player understands that he or she is under no obligation to elect to take the single cash payment and may freely continue to take the prize as an annuity; and
  - 3) Makes the irrevocable selection between the annuity payments and a single cash payment within 60 days from the date the prize claim is made. If a single cash payment option is offered for an annuity prize claim, no payment for such a prize will be processed until the Claimant submits a form irrevocably selecting a payment option, or the 60-day selection period lapses, whichever shall occur first.

#### 3. DRAWINGS

- a. The drawing to select the winning numbers shall be conducted at Universal Studios, Orlando, Florida at approximately 10:59pm Eastern Time. POWERBALL drawings shall be conducted on Monday, Wednesday and Saturday at the designated time. However, the day, time or location of POWERBALL drawings may be modified as determined by the Directors and publicly announced by the Party Lotteries, and/or as stated in the POWERBALL On-Line Drawing Procedures. All POWERBALL drawings will be open to the public.
- b. POWERBALL drawings shall randomly generate, by mechanical means, POWERBALL Winning Numbers, pursuant to the controls and methods defined by the Party Lotteries.
- c. All Winning Numbers, even though announced, are subject to validation by the New Jersey Lottery, including, if necessary, review by the Director, whose decision shall be final. The Lottery shall not be liable for media misprints or incorrectly announced Winning Numbers.

#### 4. CLAIMS AND VALIDATIONS

a. In accordance with N.J.A.C. 17:20-7.12, the Claimant of a Winning Ticket for POWERBALL, and the Power Play feature Prizes can take said Ticket to any Retailer for validation. If said Winning Ticket entitles the holder to a Prize of \$599.00 or less, that Prize may be paid by the Retailer upon presentation and validation of the Winning Ticket. If the Winning Ticket entitles the holder to a Prize that is more than \$599.00, then the Retailer shall validate the Winning Ticket, the Claimant and Retailer shall fill out a claim form issued by the Retailer and mail the completed claim form, validated Ticket, and validation receipt to Lottery Headquarters in the claim form mailer envelope. Once a Winning Ticket and claim form are received at Lottery Headquarters and validated, it will be considered claimed and will not be returned to the winner, but will be retained by the Lottery and the payment will be processed. The Winner should retain a copy of the claim form prior to mailing to Lottery Headquarters. The Claimant should sign the back of the Ticket.

- b. No Claimant may assert rights different from the rights acquired by the original Purchaser at the time of purchase.
- c. Claimant of a Winning Ticket must provide proof of age and other information consistent with N.J.A.C. 17:20-7.1.
- d. The ticket must have been issued by an authorized New Jersey Lottery POWERBALL Agent or Retailer on official paper stock of the New Jersey Lottery.
- e. The Winning Ticket must have been recorded on the central computer system prior to the Drawing and must match exactly with the official file of Winning Tickets and must not have been previously paid. In the event of a contradiction between information as printed on the Ticket and as accepted by the Lottery computer, the Wager accepted by the Lottery computer system shall be the valid Wager.
- f. Tickets are void if:
  - Stolen, unissued, unreadable, mutilated, altered, reconstituted, counterfeit in whole or in part, miscut, multiply-printed, defective, tampered with, printed or produced in error, or blank or partially blank.
  - ii. Printing is irregular.
  - iii. Apparent or asserted symbols are not confirmed by validation number.
  - iv. The ticket fails any of the Lottery's other validation tests.
- g. The Player or computer number selections, validation data and the drawing date(s) of an apparent winning ticket must appear on the official file of winning Tickets, and a ticket with that exact data must not have been previously paid. The ticket must not be misregistered, defectively printed or produced in error to an extent that it cannot be processed by the New Jersey Lottery.
- h. All claims arising out of POWERBALL Tickets must be pursued only against the State of Ticket purchase, and litigation, if any, shall only be maintained against the Party Lottery of the State of Ticket purchase and within the State of purchase as the sole and exclusive remedy of Claimant.
- i. All Prizes in excess of \$5,000.00 will be subject to federal withholding tax at the prevailing federal tax rate. All Prizes in excess of \$10,000.00 additionally will be subject New Jersey gross income tax withholding at the prevailing tax rate. In addition, all prizes may be subject to garnishment per N.J.S.A 5:9-13.5, 13.14 and 13.17 in accordance with the procedures in N.J.A.C. 17:42-1.1 et seq. and N.J.A.C. 17:43-1.1 et seq. Except as herein provided, all rules and regulations of the Lottery shall govern the operation of the POWERBALL lottery. All determinations of winners shall be made by the Lottery Director whose judgment shall be final.
- j. The Claim Limitation period for POWERBALL and Power Play feature Prizes sold in New Jersey is one (1) year from the date of the Drawing. All Players holding Winning Tickets must file for a Prize within one (1) year after the date of the Drawing. One (1) year means the anniversary of the date of the draw unless the draw date is February 29th in which case the anniversary is considered to be March 1st. All Winning Tickets submitted beyond the one-year period are not eligible for Prize awards. For Tickets claimed and scanned at an authorized New Jersey Lottery Retailer or Retailer within the Claim

Limitation period and then sent to Lottery Headquarters for validation, said Ticket must be received at the headquarters' office by the close of business on the thirtieth (30th) day after the expiration of the official claim period in order to be paid.

k. Pursuant to the New Jersey Lottery Law (N.J.S.A. 5:9-1 et seq. and N.J.A.C. 17:20-1 et seq.), holders of winning Tickets or shares may remain anonymous indefinitely. The identity of a holder choosing to remain anonymous shall not be included under materials available to public inspection pursuant to the New Jersey Open Public Records Act (N.J.S.A. 47:1A-1 et seq. and N.J.A.C. 17:20-7.7). Holders of winning Tickets or shares may expressly authorize use by the New Jersey Lottery of his or her name, address, prize amount and photographic or video-graphic likeness, in any medium for the sole purpose of advertising and publicity.

# 5. <u>LIABILITY OF THE LOTTERY</u>

- a. The liability of the Lottery for Tickets printed or produced in error or for defective Tickets shall be limited to the replacement of the defective ticket with another unplayed ticket or reimbursement of the holder at the retail sale price of the ticket.
- All winners, Tickets, and transactions are subject to New Jersey Lottery rules and regulations, and State Law. All prize awards are subject to claim procedures, validation tests, and other applicable requirements of the New Jersey Lottery.
- c. If the POWERBALL Game is no longer offered in New Jersey, any amount remaining in the Prize Pool or any reserve accounts at the end of the Game shall be carried forward to a replacement game or used in a manner as permitted by New Jersey law.
- d. Except as herein provided, all rules and regulations of the Lottery shall govern the operation of the POWERBALL Game. All determinations of Winning Tickets shall be made by the Director whose judgment shall be final.

# 6. PRIZE STRUCTURE

- a. <u>Prize Pool</u>- The expected Prize Pool for each drawing, inclusive of Power Play, is approximately fifty percent (50%) of the money Wagered by all players, plus the carryover amount, if any. The Prize Pools are generated from the prize fund.
- b. <u>Prize Structure</u>- There are nine (9) Prize Levels in the POWERBALL Game. The Prize payouts and Prize Structure are as follows:

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

- 1) For winning POWERBALL Tickets 5 out of 69 + 1 out of 26 for which no claim or redemption is made within the specified claim period for each respective Party Lottery, the corresponding Grand Prize monies shall be returned to the other Party Lotteries in accordance with procedures for the reconciliation of prize liability as may be agreed from time to time by the Directors of the Party Lotteries.
- 2) POWERBALL Grand Prize shall be divided equally, on a pari-mutuel basis, among the winners.
- 3) Each POWERBALL Second through Ninth Prizes shall be paid in one payment.
- 4) All payments shall be made to the winner, or his or her estate in accordance with N.J.S.A. 5:9-13.
- 5) The prize unit will be rounded down to the nearest dollar.
- 6) Each \$2.00 bet shall be considered a single unit equal to one share of the total pool.
- c. If in any POWERBALL drawing there are no POWERBALL Tickets which qualify for the Grand Prize category, the portion of the Prize Fund allocated to such Grand Prize category shall remain in the Grand Prize Category and be added to the amount allocated for the Grand Prize category in the next consecutive POWERBALL drawing.
- d. All Set Prizes and Power Play Set Prizes, including the Match 5+0 Second Tier Prize Category, may be reduced if claims exceed available prize fund. If the total of the original POWERBALL Set Prizes awarded in a drawing exceeds the percentage of the prize pool allocated to the Set Prizes, beginning with the highest set prizes, such Set Prizes may be paid on a Pari-Mutuel rather than fixed prize basis, provided, however, that in no event shall the Pari-Mutuel prize be greater than the fixed prize.

- e. 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.
- f. 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:

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

g. The Power Play feature is an extension of the Powerball game and is conducted in accordance with the Powerball games rules except where otherwise noted. The feature will begin at a time announced by the Lottery and will continue until such time it is discontinued by the Lottery. The Power Play feature offers to the owners of a qualifying play a chance to increase the amount of any of the eight (8) lowest

Set Prizes (prizes normally paying \$4 to \$1,000,000) won in a drawing. The Grand Prize is not a fixed Set Prize and will not be increased.

- i. 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 in the Lottery's Central Computer System as a Qualifying Play.
- ii. A Qualifying Play which wins one of the 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.
- iii. The ten (10x) multiplier will be available for drawings in which the initially Advertised Grand Prize (Annuity) jackpot is one hundred fifty million dollars (\$150,000,000.00) or less.
- iv. The announced Match 5+0 prize for players selecting the Power Play option shall be two million dollars (\$2,000,000.00) regardless of the Power Play number selected, unless a higher limited promotional dollar is announced by the Lottery.
- h. Except as provided in these rules, a Qualifying Play which wins one of the eight lowest lump sum fixed Set Prizes (excluding the Grand Prize) shall be paid as follows:

|             | Set Prize Amou | nt* 10X        | 5X             | 4X             | 3X             | 2X             |
|-------------|----------------|----------------|----------------|----------------|----------------|----------------|
| NAStals F.O |                |                |                |                |                |                |
| 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         |
|             |                |                |                |                |                |                |

<sup>\*</sup>Match 5+0 \$2,000,000.00 prize is a Set Prize Amount regardless of Power Play number selected.

- i. 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 in accordance with the rules of the Powerball game. 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.
- j. The following table sets forth the probability of the various Power Play numbers being drawn during a single Powerball drawing. The Party Lotteries may elect to run limited promotions that may modify the multiplier features:

| Whe  | n th | e 10x multiplier is available: |                               |                      |
|------|------|--------------------------------|-------------------------------|----------------------|
| Powe | er P | lay                            | Probability of Prize Increase | Chance of Occurrence |
| 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%             |

| D   | D                        | Land               | Dualiahilita of Duiza Isanasa | Chanas of  |
|-----|--------------------------|--------------------|-------------------------------|------------|
| POW | ower Play Probability of |                    | Probability of Prize Increase | Chance of  |
|     |                          |                    |                               | Occurrence |
| 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%   |

#### 7. ANNUITY REQUIREMENTS

- a. The Annuity Grand Prize amount as determined by MUSL shall be the basis for determining the amount to be awarded for the winning POWERBALL Tickets matching all five (5) of the five (5) POWERBALL numbers drawn from Matrix A and the one (1) POWERBALL winning number drawn from Matrix B.
- b. <u>Annuity Option</u> Annuity Option Grand Prizes shall be paid in thirty (30) annual installments by the Party Lottery that sold the winning Official POWERBALL ticket. The initial payment shall be paid upon completion of internal validation procedures. The subsequent twenty-nine (29) graduated payments shall be paid annually to coincide with the month of the federal auction date at which the bonds were purchased. Such payments shall be made within seven (7) days of the anniversary of the actual auction date.
- c. <u>Cash Option</u> Cash Option Grand Prizes shall be paid in a single payment upon completion of internal validation procedures. The Cash Option amount offered may be either the amount determined by multiplying the annuity prize amount by a discount value set by the POWERBALL Finance Committee prior to each drawing (the Cash Equivalent jackpot), or the proceeds of the sale of bonds purchased to fund the particular winner's share of the annuity Grand Prize amount, at the discretion of the Lottery Director.

- d. In the event multiple POWERBALL Tickets match all five (5) of the five (5) POWERBALL winning numbers for Matrix A and the one (1) POWERBALL winning number for Matrix B, and the Annuity POWERBALL Grand Prize divided by the number of winning game panels is less than \$1,000,000, each POWERBALL Grand Prize winner shall be paid an amount equal to the Cash Equivalent Grand Prize divided equally by the number of Grand Prize winners. Each such Grand Prize winner will be paid in a single cash payment.
- e. Per N.J.S.A. 5:9-13(j), a Prizewinner of a POWERBALL annuity Prize shall not be permitted to assign the last two annual prize payments, therefore the graduated prize payments for year 29 and year 30 are not permitted to be assigned.
- f. Per N.J.A.C. 17:20-7.9(g), a fee of \$100.00 shall be charged by the Lottery to an assignor for processing each assignment. For each partial assignment, an additional fee of \$50.00 shall be charged to each assignor for each installment affected by said partial assignment. A processing fee of \$50.00 shall be charged to the assignor in connection with any change in the terms of any assignment pursuant to N.J.S.A. 5:9-13(p). No fee shall be charged for the payment of a prize to the estate of a deceased Prizewinner pursuant to N.J.S.A. 5:9-13(b).
- g. It shall be the Prizewinner's responsibility to provide the Lottery any updated address information to which Prize installments will be mailed even if a full annual payment or multiple payments have been assigned to a third party.

## 8. RETAILER REQUIREMENTS, COMMISSIONS AND BONUSES

- a. <u>Electronic Fund Transfer (EFT).</u> As per N.J.A.C. 17:20-6.3, all Retailers are required to have on deposit in their Lottery bank account, no later than the close of their bank business day each Thursday, gross sales receipts less commission and cash Prizes paid out for the previous sales week ending Wednesday. In case of deficiencies in EFT, the Director may debit the Retailer's account \$25.00 per failure.
- b. <u>Commissions.</u> All Retailers paying out cash prizes up to \$599.00 shall receive a commission equal to 1.25% of the money paid out in prizes. On a temporary basis, the Director may from time to time raise the commission rates for promotional purposes.
- c. <u>Bonuses</u>. The Retailer(s) selling a winning 5 out of 69 + 1 out of 26 POWERBALL ticket shall receive a \$30,000.00 bonus from the Lottery. The bonus shall be paid for each winning 5 out of 69 + 1 out of 26 ticket sold. The Retailer(s) selling a winning 5 out of 69 POWERBALL ticket with Power Play shall receive a \$10,000.00 bonus from the Lottery. The Retailer(s) selling a winning 5 out of 69 POWERBALL ticket shall receive a \$2,000.00 bonus from the Lottery. The bonus shall be paid for each winning 5 out of 69 ticket sold.
- d. <u>Offsets</u>. Retailer commissions and bonuses may be offset, at the Director's discretion, against monies due from the Retailer to the Lottery. In such cases, if applicable, a net payment will be made to the Retailer. All data regarding Retailers' sales and compensation shall be kept confidential by the Lottery, except for income tax reporting required by law and bonuses per Section 8(c) above.