

AMENDED: JUNE 18, 2020

EFFECTIVE: JUNE 29, 2020

OFFICIAL GAME RULES
MEGA MILLIONS WITH MEGAPLIER
(5 OUT OF 70 & 1 OUT OF 25)

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 Mega Millions lottery Game. The rules of the Mega Millions game are as follows:

1. DEFINITIONS

Advertised Jackpot or Grand Prize – means the estimated annuitized Jackpot Prize amount. The advertised Jackpot Prize is not a guaranteed prize amount except for the \$40 million starting Jackpot. The actual Jackpot Prize amount awarded may vary from the advertised amount.

Annuity Option - means the option to have the Mega Millions Jackpot Prize paid in 30 graduated annual installments. If the Annuity Option is selected at the time of purchase, the Player will have the opportunity of changing the selection to the Cash Option at the time of Prize claim. Refer to Section 2 of the Official Game Rules for additional information.

Annuitant – means the person(s) or Entity who receives the benefits of an annuity resulting from a Winning Ticket for the Jackpot paid under the Annuity Option.

Authorized Claim Center – means any Lottery Retailer or Agent, or Lottery Headquarters where a Winning Ticket may be submitted for its Prize award.

Cash Option – means the manner in which the Jackpot Prize will be paid in a lump sum cash payment. If the Cash Option is selected at the time of purchase, the selection is irrevocable, and the Player or Claimant may not change his or her mind.

Cash Value – means the amount of the one-time lump sum payment under the Cash Option for the Jackpot only.

Claimant - means any person or Entity submitting a claim form within the required time period to collect a Prize for an Official Mega Millions Ticket. A Claimant may be the Purchaser, the person or Entity named on a signed Official Mega Millions Ticket, the bearer of an unsigned Official Mega Millions Ticket, or any other person or Entity who may seek entitlement to a Mega Millions Prize payment in accordance with the Mega Millions Rules, 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. Refer to Section 4 of these Official Game Rules for additional information.

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

Drawing - means a formal process of randomly selecting the Winning Numbers in accordance with the Drawing Procedures.

Entity – means any Claimant other than a natural person who claims a Prize.

Fixed or Set Prizes - means a set amount awarded in the Mega Millions Game. Set Prizes may be reduced if claims exceed the available Prize Pool. Refer to Section 6 of these Official Game Rules for more information.

Future Play or Multi-Draw - means a Game feature which allows a Player to select Plays for up to eight (8) consecutive future Drawings on one (1) or more Tickets, starting with the next scheduled Drawing. The cost of a Multi-Draw Ticket depends on how many Draws and how many Plays are selected. The amount of consecutive future Drawings may be modified at the discretion of the Director.

Game – means the game named in the title at the top of page 1 of these rules.

Jackpot or Grand Prize – means the Prize amount awarded for matching 5 out of 70 numbers in Matrix A, and 1 out of 25 numbers in Matrix B (Mega Ball). If more than one Ticket from all participating Party Lottery states wins the Jackpot Prize, the Jackpot Prize shall be equally divided among the persons holding such Tickets, as provided in Section 6 of these Official Game Rules.

Just the Jackpot™ - means a Game feature that gives players the opportunity to purchase tickets for only the Grand/Jackpot prize (and excludes all other Prize Levels from potential winnings, including Megaplier). Just the Jackpot™ tickets are purchased for \$3.00 per two (2) plays. The two (2) plays will be Terminal-generated Quick Picks. If the player matches any non-Grand/Jackpot prize numbers with his or her Just the Jackpot™ Plays, the player who purchased a Just the Jackpot™ ticket is not eligible to win non-Grand/Jackpot prizes in the Just the Jackpot™ Play.

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

Lottery - means the New Jersey Division of State Lottery.

Lottery Headquarters – means the building where Lottery operations are conducted. Address is One Lawrence Park Complex, Brunswick Avenue Circle, Lawrenceville, NJ 08648. Mailing address is PO Box 041, Trenton, NJ 08625-0041.

Official Game Rules – means these rules.

Matrix A (Field 1) – Contains a pool of numbers from one (1) to seventy (70).

Matrix B (Field 2) – Contains a pool of numbers from one (1) to twenty-five (25). The number selected from Matrix B will be referred to as the “Mega Ball.” The number may be the same number as one of the five numbers a Player selects from Matrix A.

Megaplier - means a feature that gives players the opportunity to multiply their potential winnings by 2, 3, 4, or 5 times the original amount (excluding the Grand/Jackpot prize). The multiplier number drawn will be used to multiply the value of the prizes for the second through ninth Prize Levels. Set Prizes may be reduced if claims exceed the available Prize Pool. The multiplier feature may be increased for promotional purposes and/or for a limited time, at the discretion of the Party Lotteries.

MUSL - The Multi-State Lottery Association (MUSL) is a non-profit, government-benefit association owned and operated by its member lotteries.

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

Party Lottery or Participating Lottery - means a state lottery or lottery of a political subdivision or Entity that is participating in selling the Mega Millions Game. Participating lottery states may change from time to time.

Play or Wager – means for each play a Player selects five (5) different numbers from Matrix A and one (1) additional Mega Ball number from Matrix B. The additional number may be the same number as one of the five 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 Mega Millions 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 Jackpot 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 Mega Millions Play costs \$2.00. Each Megaplier Play costs \$1.00 per Play. Just the Jackpot™ Game feature costs \$3.00 for two (2) plays.

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

Player - means a person at least eighteen (18) years of age, who purchases a Mega Millions Ticket.

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

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

Prize or Prizes - means the winnings as defined in these Official Game Rules.

Prize Pool – means that portion of Mega Millions gross sales set aside for the payment of prizes. The Prize Pool for any Drawing is expected to be 50% of sales.

Prize Fund – means the respective number of dollars from the Prize Pool allocated to each of the Prize Levels.

Prize Level – means the Prizes as defined in Section 6 of these Official Game Rules.

Prizewinner - means a Player who is entitled, as a result of successful Claimant verification and successful Play/Ticket validation, to receive a Prize under the rules of a Game.

Purchaser or Player- means a Player of Mega Millions 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 gaming system randomly select their Mega Millions numbers for an individual Play.

Retailer or Agent- means the person who has been licensed and authorized by the New Jersey Lottery to sell lottery Tickets pursuant to the State Lottery Law, N.J.S.A. 5:9-1 et seq., and the Rules of the New Jersey Lottery Commission.

Sales Cut-off - means the time after which Lottery Plays will not be accepted for that Drawing. The Sales Cut-Off occurs on Tuesdays and Fridays at approximately 10:45 PM Eastern Time for each Mega Millions Drawing.

Subscription - Means an extended, Multi-Draw purchase option wherein the same set(s) of numbers may be placed for a specified number of consecutive draws effective on a future prescribed date.

Terminal - means a device that is authorized by the Lottery to function in an on-line, interactive mode with the Lottery's computer gaming system for the purpose of issuing Tickets, and entering, receiving and processing Lottery transactions, including purchases, validating Tickets and transmitting reports. This includes Player self-service Terminals (PSST) for the purchase of Mega Millions 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, nor able to process all transactions such as validating Tickets.

Ticket - means an official Mega Millions 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. Mega Millions Tickets cannot be canceled.

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.

Winning Numbers - means the five (5) one- (1) or two- (2) digit numbers from Matrix A, and one (1) or two- (2) digit numbers from Matrix B, randomly selected during a Mega Millions Drawing, that shall be used to determine the Winning Play.

Winning Play(s) – 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(s). Each Winning Ticket must meet New Jersey Lottery validation requirements.

2. GAME PLAY

- a. To play Mega Millions, a Player orally conveys their selected numbers, or has the Terminal randomly assign (Quick Pick) five (5) numbers from Matrix A which includes a range of consecutive numbers from one (1) to seventy (70) and one (1) number from Matrix B (Mega Ball) which includes a range of consecutive numbers from one (1) to twenty-five (25). The additional number may be the same number as one of the five numbers a Player selects from Matrix A. Bet selections of less than or more than six (6) numbers will be impermissible and void. 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. The price of a single Play shall be \$2.00, except that the Director may establish a discount for promotional purposes from time to time.
- c. The price of the Megaplier add-on shall be an additional \$1.00 per Mega Millions play.
- d. Just the Jackpot™ Game feature gives Players the opportunity to purchase Tickets for a chance to win the Grand/Jackpot prize only (excludes all other Prize Levels from potential winnings, including Megaplier). Just the Jackpot™ Tickets are purchased for \$3.00 per two (2) plays. The two (2) plays will be Terminal-generated Quick Picks. If the player matches any non-Grand/Jackpot prize numbers with his or her Just the Jackpot™ Plays, the Player who purchased a Just the Jackpot™ Ticket is not eligible to win non-Grand/Jackpot prizes in the Just the Jackpot™ game. All provisions of these Official Rules regarding payment of the Mega Millions Jackpot Prize shall be applicable to Just the Jackpot™ Winning Plays. The Just the Jackpot™ Game feature may be discontinued at the discretion of the Director.
- e. Mega Millions Tickets may not be canceled.
- f. Mega Millions Tickets will be sold every day during the normal business hours of the Retailers authorized to sell said Tickets, or other means authorized by the Lottery. The sale period for any given Mega Millions lottery Drawing will terminate on the date of the Drawing at approximately 10:45 PM Eastern Time. Wagers may be placed for Multi-Draw which shall include the first eight (8) consecutive future Drawings following the most immediate Drawing. The amount of consecutive future Drawings may be changed at the discretion of the Director.
- g. A Mega Millions Ticket can have up to five (5) Plays per Ticket.

- h. It shall be the sole responsibility of the Purchaser to verify the accuracy and readability of the information printed on the Mega Millions Ticket at the time of purchase. After the Purchaser leaves a Retailer location, neither a Retailer nor the Lottery shall be liable for any errors in the accuracy and readability of a Ticket occurring for any reason.
- i. Mega Millions Play Slips shall be available at no cost to the Player. Play Slips 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 Play Slips is prohibited except as approved by the Director.
- j. Replay Feature. Players may request that a Retailer utilize the barcodes of already purchased Mega Millions Tickets to duplicate another Ticket of the same price and with the same number selections and options.
- k. The Purchaser must make a Pre-Selection at the time of the purchase from one of the following methods of Prize payment for the Jackpot Prize only:
- Cash Option - The Cash Option is paid in a one-time lump sum. The estimated Cash Value of the Cash Option for the Jackpot 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.
- l. Whenever a player selects the Annuity Option and has not chosen in advance the Cash Option, the Claimant shall have the opportunity to select receiving the Cash Option after the Claimant:
- 1) Reviews the Lottery’s disclosure of the methodology used to compute the single cash payment;
 - 2) 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 Cash Option and may freely continue to take the Annuity Option; and
 - 3) Makes the irrevocable selection between the Annuity Option and the Cash Option within sixty (60) days from the date of the prize claim. If a Cash Option is selected for an annuity prize claim, no payment will be processed until the Claimant submits a form irrevocably selecting a payment option, or the sixty (60) day period lapses, whichever shall occur first.
 - 4) When the Annuity Option is chosen, the Lottery purchases and holds U.S. Government STRIPS bonds to fund the 30 year graduated annuity. The initial payment shall be paid upon completion of internal validation procedures. The subsequent twenty-nine (29) payments shall

be paid annually. Each annual payment is to occur at approximately the same date the initial payment occurred. The Annuitant shall have no recourse from the MUSL or any other Party Lottery for payment of the Annuity Prize.

- m. The Party Lotteries reserve the right to change Matrix A and/or Matrix B. Any change in either Matrix shall be publicly announced by the Lottery in advance of the effective date.
- n. A Mega Millions Game feature may be added at the discretion of the Lottery. A Mega Millions Game feature is an alternative or additional method for playing the Game with the same basic design. Any game feature that may be added shall be publicly announced by the Lottery in advance of the effective date.
- o. A Mega Millions Ticket may not be purchased in New Jersey or in any other Party Lottery state by any Lottery officer or employee or any spouse, child, brother, sister or parent residing as a member of the same household in the principal place of abode of any Lottery officer or employee.

3. DRAWINGS

- a. The Drawing to select the Winning Numbers shall be conducted at the studios of WSB-TV, Atlanta, Georgia at approximately 11:00 PM Eastern Time. Mega Millions Drawings shall be conducted on Tuesday and Friday at the designated time. However, the day, time or location of Mega Millions Drawings may be modified as determined by the Directors and publicly announced by the Party Lotteries, and/or as stated in the Mega Millions Drawing Procedures. All Mega Millions Drawings will be open to the public and shall be witnessed by an Independent Certified Public Accounting Firm.
- b. Mega Millions Drawings shall randomly generate, by mechanical means, Mega Millions Winning Numbers, pursuant to the controls and methods defined by the Party Lotteries in the Drawing Procedures.
- 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 Mega Millions can take said Ticket to any Retailer for validation. If said Winning Ticket entitles the holder to a Prize of less than \$600.00, 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 \$600.00 or more, 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. Claimant of a Winning Ticket must provide proof of age and other information consistent with N.J.A.C. 17:20-7.1.
- c. The Ticket must have been issued by an authorized Retailer on official paper stock of the Lottery.
- d. 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.
- e. Tickets are void if:
 - 1) 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.
 - 2) Printing is irregular.
 - 3) Apparent or asserted symbols are not confirmed by validation number.
 - 4) The Ticket fails any of the Lottery's other validation tests.
- f. A Mega Millions Ticket matching all Game play, serial number, and other validation data recorded in the Lottery's gaming system computer shall be the only valid proof of a Wager placed and the only valid receipt for claiming or redeeming any Prize.
- g. All claims arising out of Mega Millions 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.
- h. 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 to 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.
- i. The Claim Limitation Period for Mega Millions Prizes sold in New Jersey is one (1) year from the date of the Drawing. All persons 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 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.

- j. 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. LIABILITY OF THE LOTTERY

- 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 un-played Ticket or reimbursement of the holder at the retail sale price of the Ticket.
- b. All winners, Tickets, and transactions are subject to New Jersey State Lottery rules and regulations, and New Jersey State Law. All Prize awards are subject to claim procedures, validation tests, and other applicable requirements of the Lottery.
- c. If the Mega Millions 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 Mega Millions Game. All determinations of Winning Tickets shall be made by the Director whose judgment shall be final.

6. PRIZE STRUCTURE

- a. Prize Pool – The Prize Pool for the aggregate of all Prize Levels shall consist of up to 50% percent of the sales receipts for each Drawing.
- b. Prize Payout and Structure – There are nine (9) Prize Levels in the Mega Millions Game. The Prize payouts and Prize structure are as follows:

PRIZE LEVELS	NUMBERS MATCHED FROM MATRIX A (1 -70)	NUMBERS MATCHED FROM MATRIX B (1 - 25)	ODDS	PRIZE
Jackpot Prize (1)	5	1	1: 302,575,350	Annuity Option * Cash Option*
Second (2)	5	0	1: 12,607,306	\$1,000,000
Third (3)	4	1	1: 931,001	\$10,000
Fourth (4)	4	0	1: 38,792	\$500
Fifth (5)	3	1	1: 14,547	\$200
Sixth (6)	3	0	1: 606	\$10
Seventh (7)	2	1	1: 693	\$10
Eighth (8)	1	1	1: 89	\$4
Ninth (9)	0	1	1:37	\$2
OVERALL ODDS OF WINNING ANY PRIZE ARE 1 IN 24				

* The Estimated Annuity value and estimated Cash Value of the Cash Option is posted on the Lottery website, and are subject to change (njlottery.com).

The Jackpot Prize amount shall be forecasted on each Drawing day by the Party Lotteries including the estimated amount of the subsequent Jackpot based on estimated sales and an annuity factor derived from current market rates for U.S. Government STRIPS bonds.

If sales support a Jackpot that is at least \$1 million higher than the Advertised Jackpot, the resulting Jackpot to be paid will be the cash equivalent of the highest fully funded million, based on actual sales and annuity factor established for the draw date.

If sales support a Jackpot that is lower than the Advertised Jackpot, the resulting Jackpot to be paid will be the cash equivalent of the highest fully funded million, based on actual sales and annuity factor established for the draw date.

If in any Mega Millions Drawing there are no Tickets which qualify for the Jackpot Prize, the portion of the Prize Fund allocated to the Jackpot Prize shall remain and be added to the amount for the Jackpot Prize Level in the next consecutive Drawing.

- c. Prize Payout and Structure with Megaplier –Megaplier applies to Prize Levels 2 through 9. Megaplier does not apply to the Jackpot (Prize Level 1). The Prize payouts and Prize structure for Mega Millions with Megaplier are as follows:

PRIZE LEVELS	NUMBERS MATCHED FROM MATRIX A (1 - 70)	NUMBERS MATCHED FROM MATRIX B (1 - 25)	STANDARD SET PRIZE WITHOUT MEGAPLIER	EXPECTED MEGAPLIER SET PRIZES			
				MULTIPLIER *			
				2X	3X	4X	5X
Second (2)	5	0	\$1,000,000	\$2,000,000	\$3,000,000	\$4,000,000	\$5,000,000
Third (3)	4	1	\$10,000	\$20,000	\$30,000	\$40,000	\$50,000
Fourth (4)	4	0	\$500	\$1,000	\$1,500	\$2,000	\$2,500
Fifth (5)	3	1	\$200	\$400	\$600	\$800	\$1,000
Sixth (6)	3	0	\$10	\$20	\$30	\$40	\$50
Seventh (7)	2	1	\$10	\$20	\$30	\$40	\$50
Eighth (8)	1	1	\$4	\$8	\$12	\$16	\$20
Ninth (9)	0	1	\$2	\$4	\$6	\$8	\$10
Probability of Megaplier number being drawn during a single Mega Millions Drawing.				5 in 15	6 in 15	3 in 15	1 in 15

* During limited promotions the multiplier features may be modified. Megaplier does not include the Jackpot Prize.

- d. Highest Prize Won – In a single Drawing, a Claimant may win in only one (1) Prize Level per single Play and shall be entitled only to the highest Prize Level for that Winning Play.
- e. Jackpot Prize Level – The starting Jackpot of \$40 million dollars is the only guaranteed Jackpot. The Jackpot Prize payout shall be determined on a Pari-Mutuel basis. Except as provided in these Official Game Rules, the Jackpot Prize shall be paid either as an annuity or lump sum cash. A Jackpot Prize payout shall be divided equally among the number of Jackpot Winning Tickets. Under certain circumstances the Jackpot Prize is required to be paid in a single lump sum cash payment and no annuitized payment option is available, even if the Annuity Option was Pre-Selected.
- f. Liability Limitations for Prize Levels 2 – 9 – For each Drawing, if there are not sufficient funds in the Prize Pool to pay the Set Prizes, including Megaplier prizes, then the highest Set Prize shall become a Pari-Mutuel prize. If the amount of the highest Set Prize, including Megaplier prizes, 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 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. When the standard Set Prizes are lowered due to liability limitations, Megaplier Set Prize are lowered accordingly. For example, if the third Prize Level Set Prize amount of \$10,000 becomes \$5,000 under the rules of the Mega Millions Game and a 5X Megaplier multiplier is selected, then a Mega Millions Megaplier player winning that prize amount would win \$25,000 (\$5,000 X 5 = \$25,000).
- g. Mega Millions Jackpot shall be divided equally among the winners.
- h. Each Mega Millions Second through Ninth Prize shall be paid in one payment.

- i. All payments shall be made to the winner, or his or her estate in accordance with N.J.S.A. 5:9-13.
- j. Prizes Rounded Down – Prizes for Prize Levels 2 through 9 will be rounded down to the nearest whole dollar. Annuitized payments of the Jackpot Prize or share of the Jackpot Prize may be rounded down to the nearest thousand to facilitate the purchase of U.S. Government STRIPS bonds. The difference in rounding for the annuitized prize shall be added to the first payment to the winner or winners.

8. ANNUITY REQUIREMENTS

- a. Annuity Option – Annuity Option Jackpots shall be paid in thirty (30) consecutive graduated annual installments by the Party Lottery that sold the winning Official Mega Millions Ticket. The initial payment shall be paid upon completion of internal validation procedures. When there is a Jackpot Winner that selects the Annuity Option, the Lottery will fund the annuity by purchasing US Government STRIPS bonds.
- b. Minors – Where a Claimant of a Jackpot is a minor who has not yet attained eighteen (18) years of age, such Prize will be payable to any bank to the credit of an adult member of the minor's family or a guardian of the minor, as custodian for such minor, under the New Jersey Uniform Transfers to Minors Act in accordance with N.J.S.A. 5:9-20. This provision does not permit the purchase of tickets by minors prohibited by N.J.S.A. 5:9-15.
- c. Per N.J.S.A. 5:9-13(h), a Prizewinner of a Mega Millions 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.
- d. 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).
- e. 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.

9. RETAILER REQUIREMENTS, COMMISSIONS AND BONUSES

- a. Electronic Fund Transfer (EFT) – 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. Commissions– Retailers will receive a commission equal to five percent (5%) of the gross sales dollars. In addition, 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. Bonuses – The Retailer(s) selling a Jackpot Prize Winning Ticket shall receive a \$30,000.00 bonus from the Lottery. The Retailer(s) selling a winning a Second Prize Level Winning Ticket with Megaplier shall receive a \$10,000.00 bonus from the Lottery. The Retailer(s) selling a winning a Second Prize Level Winning Ticket without Megaplier shall receive a \$2,000.00 bonus from the Lottery. The bonus shall be paid for each Jackpot and Second Prize Level winning Ticket sold. Bonuses paid shall not be confidential.
- d. Offsets – 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 9(c) above.