



## **POWERBALL RULES**

These rules are effective with the drawing on February 3, 2016

### **PART I - ADMINISTRATION**

**Section 1.0** These rules establish the procedures and requirements for operating and playing Powerball, a lotto game run by the Multi-State Lottery Association (hereinafter referred to as "MUSL"), of which the Vermont State Lottery is a member. Generally, the Powerball game shall be operated in accordance with any agreement between the State of Vermont and MUSL, the Constitution, the By-Laws of the Multi-State Lottery Association, the Multi-State Lottery Association Rules and applicable Vermont law.

### **PART II - POWERBALL GAME RULES**

#### **Section 2.0 DEFINITIONS**

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

**2.1** "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 6.5

**2.2** "Agent" or "retailer" means a person or entity licensed by the Lottery to sell lottery plays.

**2.3** A "Drawing" refers collectively to the formal draw event for randomly selecting the winning indicia which 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.

**2.4** "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. Computer pick has the same meaning as "easy pick", which is used in the Tri-State game rules.

**2.5** "Game board" or "boards" means that area of the Play Slip, also known as a "panel" which contains sets of numbered squares to be marked by the player. Game board has the same meaning as "panel" as used in other Lottery materials.

**2.6** "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 the Lottery and Section 7.0 (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.

**2.7** "Grand Prize" shall refer to the top prize in the Powerball game.

**2.8** "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.

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

**2.10** "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.

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

**2.12** "On-Line Lottery Game" means a lottery game wherein a player selects numbers out of a larger predetermined set or sets of numbers.

**2.13** "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 the Product Group Rules, which has joined in selling the Powerball game. Unless otherwise indicated, "Party Lottery" or "Member Lottery" does not include "Licensee Lotteries".

**2.14** "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.

**2.15** "Product Group" means a group of lotteries which has joined together to offer a product pursuant to the terms of the Multi-State Lottery Agreement and the Product Group's own rules.

**2.16** "Play Slip" or "Bet Slip" means a card used in marking a player's game plays and containing one or more boards.

**2.17** "Selling Lottery" shall mean a lottery authorized by the Product Group to sell Powerball plays, including Party Lotteries and Licensee Lotteries.

**2.18** "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.

**2.19** "Terminal" means a device authorized by the 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.

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

**2.21** "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.

**2.22** "Lottery", or "the Lottery" means the Vermont State Lottery.

**2.23** "Executive Director" means the Executive Director of the Vermont State Lottery appointed by the Vermont Lottery Commission.

**2.24** "Subscription" means a Powerball bet recorded on the Lottery's central computer system, under the name and address of a subscriber, for a specified range of draw dates.

2.25 Reserved

### **Section 3.0 POWERBALL GAME DESCRIPTION**

**3.1** Powerball is a five (5) out of sixty-nine (69) plus one (1) out of twenty-six (26) on-line 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

cash lump sum payment of the total cash held for this prize pool on a pari-mutuel basis. Except as provided in these rules, all other prizes are paid on a set cash 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 can be purchased from a Selling Lottery's 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.

**3.2 Claims.** A ticket (subject to the validation requirements set forth in Section 7.0 (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 numbers selected.

**3.3 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.

**3.4 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 on-line agent who 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.

**3.5 Entry of Plays.** Plays may only be entered manually using the lottery terminal keypad or touch screen or by means of a Play Slip provided by the Selling Lottery and hand-marked by the player or by such other means approved by the Selling Lottery. Retailers shall not permit the use of facsimiles of Play Slips, copies of Play Slips, or other materials that are inserted into the terminal's Play Slip reader that are not printed or approved by the Selling Lottery. Retailers shall not permit any device to be connected to a lottery terminal to enter plays, except as approved by the Selling Lottery.

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

## **Section 4.0 —POWERBALL PRIZE POOL**

**4.1 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.

**4.2(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. Contributions to the GPCFP will terminate after the drawing on August 2, 2017 unless the Group votes to continue contributions to the GPCFP; such vote to continue contributions to the GPCFP shall take place no later than January 31, 2017.

(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.

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.

(vi) 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 the reserve account, a Party Lottery is responsible for its full sales percentage share of the account, whether or not it has been paid in full.

(vii) 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 4.2(a)(iii), on September 23, 2015, the Group established a balance limit trigger for the GPCFP as follows: Effective with the drawing on February 3, 2016, at any time that the GPCFP is below one hundred ninety nine million dollars (\$199,000,000) prior to a drawing, the GPCFP deduction from a Party Lottery's GPP contribution for that drawing shall be equal to ten percent (10%) of a Party Lottery's sales when the annuity Grand Prize, as determined after sales are known, exceeds three hundred million dollars \$300,000,000.00, and the GPCFP deduction from a Party Lottery's GPP contribution for that drawing shall be equal to twenty percent (20%) of a Party Lottery's sales when the annuity Grand Prize, as determined after sales are known exceeds eight hundred million dollars (\$800,000,000.00). At any time that the GPCFP exceeds one hundred ninety-nine million dollars (\$199,000,000) prior to a drawing, there shall be no GPCFP deduction for that drawing.

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 October 22, 2015 to be effective with the February 3, 2016 drawing.

**4.2(b) Licensee Lotteries.** Licensee Lotteries shall adhere to PB Rule 4.2(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.

**4.3 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 cash prizes. All prize payouts



are made with the following expected prize payout percentages, although the prize payout percentage per draw may vary:

Number of Matches Per Play Prize	Prize Payment Allocated	Prize Pool Percentage to
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 September 23, 2015 to be effective with the February 3, 2016 drawing.*

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

**(b) Powerball Set Prize Pool Carried Forward.** For Party Lotteries, the Powerball SPP (for cash prizes of one million dollars (\$1,000,000) 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 September 23, 2015 to be effective with the February 3, 2016 drawing.*

**(c) Pari-Mutuel Powerball Prize Determinations.** Except as provided for in 4.3(1)(c)(1)(c), for Party Lotteries:

**(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 allocated to the Powerball Set Prizes and carried forward from previous draws, if any;

**(ii)** an amount from the SPRA, if available, not to exceed forty million dollars (\$40,000,000) per drawing; and

**(iii)** other amounts as agreed to by the Product Group in their sole discretion

**(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.

**(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.

**(2) Licensee Lotteries.** Licensee Lotteries shall adhere to PB Rule 4.3(1)(c)(1)(a) and (b) unless a different process is approved by the Product Group.

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

**Section 5.0-- 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 Ticket	Winners	Probability Distribution Probability	Probable/Set Prize Amount
All five (5) of first set plus one (1) of second set	1	1: 292,201,338.000	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	8000	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	

## **Section 6.0 – POWERBALL PRIZE PAYMENT**

**6.1 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 cash payment. 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 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 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 cash available in the Grand Prize pool (GPP) equally among all winning plays of the Grand Prize. Winner(s) who elect a cash payment shall be paid their share(s) in a single cash payment. The annuitized option prize shall be determined by multiplying a winner's share of the GPP by the MUSL Annuity Factor. The MUSL Annuity Factor is determined through a process as approved by the Finance and Audit Committee. 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 Section 6.5.

If individual shares of the cash held to fund an annuity is less than \$250,000, the Product Group, in its sole discretion, may elect to pay the winners their share of the cash held in the GPP.

All annuitized prizes shall be paid annually in thirty (30) payments with the initial payment being made in cash, 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). 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 prize 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 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, or 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 October 22, 2015 to be effective with the February 3, 2016 drawing.*

**6.2 Powerball Low-Tier Cash Prize Payments.** All low-tier cash prizes (all prizes except the Grand Prize) shall be paid in cash or warrants through the Selling Lottery that sold the winning play(s). A Selling Lottery may begin paying low-tier cash 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 cash prize amounts, it shall be solely responsible for its low-tier cash prize liability, and may begin paying low-tier cash prizes after a drawing when it determines appropriate to do so.

**6.3 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 cash 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 cash prizes paid by a Selling Lottery which separately determines its low-tier cash prize amounts pursuant to Rule 6.2, breakage resulting from rounding these prizes shall be carried forward to the prize pool for the next drawing.

**6.4 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 Grand Prize pool for the following drawing.

*Amended October 22, 2015 to be effective with the February 3, 2016 drawing.*

**6.5 Funding of Guaranteed Powerball Prizes.** 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. 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: 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. 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 best bid submitted by MUSL's pre-approved qualified brokers shall determine the cash pool needed to fund the guaranteed annuitized Grand Prize. 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. Changes in the allocation of prize money shall be designed to retain approximately the same prize allocation percentages, over a year's time, set out in these rules. Minimum guaranteed prizes or increases may be waived if the alternate funding mechanism set out in Section 4.3(b) 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 October 22, 2015 to be effective with the February 3, 2016 drawing.*

**6.6 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.

**6.7 Powerball Prize Claim Period.** Prize claims shall be submitted within the period set by the Selling Lottery selling the play, which in Vermont is one year from the prize eligibility date. The prize eligibility date is the date of the winning draw.

**6.9 Prize Assignment.** Payment of a prize may be made to a person other than the winner pursuant to Vermont Statutes Annotated, Title 31, Section 658(c), which adopts the payment provisions of Title 31, Section 674L.1.1A-I.

## **Section 7.0 —TICKET VALIDATION**

**7.1 General Requirements for 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 on-line 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.

### **7.2 Specific Requirements for Validation of Tickets Sold in Vermont**

**(a)** To be a valid ticket and eligible to receive a prize, all the following requirements must be satisfied:

**(1)** The ticket must have been issued by the Lottery through a licensed agent, via a terminal, in an authorized manner. The ticket must be intact and must not be mutilated, altered, reconstructed, or tampered with in any manner.

**(2)** The ticket date must have been recorded in the Lottery's central computer system at least sixty (60) minutes prior to the drawing; even if it appears that a bet is accepted (by virtue of a printed ticket), any bet placed other than at least sixty (60) minutes prior to the drawing (regardless of when the drawing is held) is void.

**(3)** The information appearing on the ticket must correspond precisely with the Selling Lottery's computer record.

**(4)** The system assigned validation number must appear in its entirety, and correspond, using a computer validation file, to the winning game play or plays printed on the ticket. The ticket stock sequential number on the back of the ticket must correspond to the Lottery's inventory records.

**(5)** The ticket must not be defectively printed, fuzzy, produced in error, counterfeit in whole or in part, altered, unreadable, reconstructed, tampered with in any manner, stolen, blank or partially blank, misregistered, or defective.

(6) All information appearing on an apparent winning ticket must correspond to the Lottery's records of winning tickets, and another ticket with identical data shall not have been paid.

(7) The ticket must be intact, fully legible, complete and not miscut, correspond to the data on file at the Lottery in every respect.

(8) The ticket must pass all other security criteria determined by the Commission and MUSL.

(9) The ticket must be validated in accordance with the provisions of these rules relating to the procedures for claiming prizes and for the payment thereof.

(10) An apparent winning ticket shall be void unless the ticpaper stock roll which was in use at the time of the bet by, and validly issued to, the agent from whom the ticket was purchased.

(b) In the event that a ticket fails to pass all the criteria set forth in subpart (a) of this rule, the ticket shall be deemed void and ineligible for any prize and shall not be paid. In the event of a dispute or other instance of doubt, the decision of the executive director shall be final and binding. If the executive director determines that the ticket is not eligible to receive a prize, then the executive director may, at the executive director's option, replace an invalid, defective or otherwise erroneous ticket with a ticket of equivalent sales price from any current lottery game. Replacement of the ticket shall be the bearer or claimant's sole and exclusive remedy.

## **Section 8.0 —TICKET RESPONSIBILITY**

**8.1 Signature.** Until such time as a subscription play is properly and validly registered with the lottery, or until such time as a signature, or printed name is placed upon a ticket in the area designated for signature, or name, a ticket shall be owned by the bearer of the ticket. When a subscription play is validly and properly registered with the lottery, or when a signature, or name is placed on the ticket in the place designated, the person who has registered the ticket, or if not registered, whose signature, or name appears in such area shall be the owner of the ticket and shall be entitled (subject to the validation requirements in Section 7.0 (Ticket Validation) and state or district law) to any prize attributable thereto.

**8.2 Multiple Signatures.** The manner of payment of prizes for valid winning tickets bearing multiple signatures, or names shall be determined by the Law of the State of Vermont.

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

**8.4 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 these rules and the person or persons registering the play shall be the owner of the ticketless transaction play.

## **Section 9.0 INELIGIBLE PLAYERS**

**9.1** 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.

**9.2** No tickets or ticketless transactions may be sold to, or purchased by, individuals who have not attained the age of majority. However, tickets or subscriptions may be given as gifts to minors or any other individuals except as prohibited by Vermont law.

**9.3** No member of the commission or employee of the commission, or members of their immediate household, may claim or receive prize money in any lottery operated by the Vermont Lottery Commission, including but not limited to Powerball.

## **Section 10.0 APPLICABLE LAW**

In purchasing a play in Vermont, the purchaser agrees to comply with and abide by all applicable Vermont laws, rules, regulations, procedures, and decisions of the Lottery.



## **PART III – POWERBALL POWER PLAY**

### **Section 11.0 POWER PLAY 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 Powerball Power Play promotion will run concurrently with Powerball 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) lump sum Set Prizes (the lump sum prizes normally paying \$4 to \$1,000,000) won in a drawing held during the promotion. The Grand Prize is not a Set Prize and will not be increased.

### **Section 12.0 QUALIFYING PLAY**

A qualifying play is any single Powerball play for which the player pays an extra dollar (\$1.00) for the Power Play option play and that is recorded at the Selling Lottery's central computer as a qualifying play.

### **Section 13.0 PRIZES TO BE INCREASED**

Except as provided in these rules, a qualifying play which wins one of the seven lowest lump sum Set Prizes (excluding the Match 5+0 prize) will be multiplied by the number selected, either two, three, four, five or 10 (2, 3, 4, 5, or 10), in a separate random Power Play drawing announced during the official Powerball drawing show; The Group may announce prior to a drawing that the "ten" multiplier will be available for drawings in which the advertised Grand Prize amount is above a specified amount, but the "ten" multiplier shall at a minimum be available for all drawings in which the 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.

### **Section 14.0 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 Powerball drawing a single number (2, 3, 4, 5 or 10) shall be drawn; The Group may announce prior to a drawing that the "ten" multiplier will not be available for drawings in which the advertised Grand Prize amount is above a specified amount, but the "ten" multiplier shall at a minimum 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.

## **Section 15.0 PRIZE POOL**

**15.1 Power Play Prize Pool.** In combination with Rule E(2), fifty percent (50%) of each draw's sales shall be collected for the payment of prizes. In drawings where the "ten" (10) 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 "10" (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%). The prize payout percentage per draw may vary. The Power Play Prize Pool 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 Power Play Pool Account.

*Amended September 23, 2015 to be effective with the October 7, 2015 drawing.*

**15.2 Power Play Pool Account.** In drawings where the "ten (10)" multiplier is available, an additional thirty-one thousandths percent (0.031%) of 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 Power Play Pool account, for the purpose of paying Power Play Prizes. In drawings where the "ten (10)" multiplier is not available, four and sixty-six thousandths percent (4.066%) of 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 Power Play pool account, for the purpose of paying Power Play prizes. Any amount remaining in the Power Play pool account at the end of this game shall be returned to all lotteries participating in the account after the end of all claim periods of all Selling Lotteries, carried forward to a replacement game, or expended in a manner as directed by the Members of the Product Group in accordance with jurisdictional statute.

**15.3 Licensee Lotteries.** Licensee Lotteries shall adhere to PB Rule 15.2 unless a different process is approved by the Product Group.

**15.3 Expected Prize Payout.** Except as provided in these rules, all prizes awarded shall be paid as lump sum set prizes. Instead of the Powerball set prize amounts, qualifying Power Play plays will pay the amounts shown in PB Rule 13.

	Prize Amount	Regardless of Power Play number selected:				
Match 5+0	\$1,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
	Set Prize Amount	10x	5X	4X	3X	2X
Match 4+1	\$50,000	\$500,000.00	\$250,000.00	\$200,000.00	\$150,000.00	\$100,000.00
Match 4+0	\$100.00	\$1000.00	\$500.00	\$400.00	\$300.00	\$200.00
Match 3+1	\$100.00	\$1000.00	\$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 becomes \$25,000 under the rules of the Powerball game and a 5x Power Play multiplier is selected, then a , then a Power Play player winning that prize amount would win \$125,000.

## Section 16.0 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 (\$2,000,000.00). The Group may elect to run limited promotions that may modify the multiplier features.

### When the 10x multiplier is available:

	<i>Power Play</i>	<i>Probability of Prize Increase</i>	
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%

Power Play does not apply to the Grand Prize. Except as provided in Rule 15.3, a Power Play Match 5 prize is set at two million dollars (\$2 million), regardless of the multiplier selected.

## Section 17.0 LIMITATIONS ON PAYMENT OF POWER PLAY PRIZES

**17.1 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.

**17.2 Pari-Mutuel Prizes—All Prize Amounts.** Except as provided for in Rule 17.2(c), for Party Lotteries:

**(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 allocated to the set prizes and carried forward from previous draws, if any;

**(ii)** an amount from the Powerball SPRA, if available in the account, not to exceed forty million dollars (\$40,000,000) per drawing.

**(iii)** other amounts agreed to by the Product Group in their sole discretion.

**(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.

*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.*

**(b) Licensee Lotteries.** Licensee Lotteries shall adhere to PB Rule 17.2(a) unless a different process is approved by the Product Group.

**(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.

## **Section 18.0 PRIZE PAYMENT**

**18.1 Prize Payments.** All Power Play prizes shall be paid in one lump sum 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.

**18.2 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.

## **PART IV - AGENTS**

### **Section 19.0 AGENTS**

**19.1** Agents selling Powerball and Power Play tickets shall comply with all applicable Vermont laws, rules, regulations, procedures, and decisions of the Lottery and with all applicable MUSL rules, regulations and requirements.

**19.2** Each agent shall receive 6.00 percent (6%) of gross receipts for Powerball and Power Play tickets sold by that agent as a commission. The 6.00 percent (6%) commission applies to Powerball and Power Play sales only.

## **PART V - SUBSCRIPTIONS**

### **Section 20.0 Subscriptions**

#### **20.1 Specific information required for a subscription**

**(a)** To play by subscription a player shall provide the lottery with the following information:

- (1)** 5 different 2-digit numbers between one (01) and a designated number and one additional 2-digit number between one (01) and a designated number;
- (2)** Name;
- (3)** A Vermont mailing address;
- (4)** Home telephone number;
- (5)** Work telephone number, if applicable;
- (6)** A gift message, if applicable;
- (7)** The number of draws the subscription shall be valid;
- (8)** Indicate Powerplay Option (Yes or No)
- (9)** Affirmation of age eligibility; and

**(10) Payment method.**

**(b)** If the subscriber selects payment for subscription by check, the check shall be payable to the Vermont Lottery Commission and attached to the subscription application form.

**(c)** Reserved for future use.

**(d)** The completed subscription form shall be forwarded to the lottery headquarters for processing.

**(e)** Upon receipt of the subscription application, the lottery shall enter the subscribers' information into a lottery approved subscription database program.

**(f)** The database program will assign the next available effective draw date for the subscription, as determined by MUSL.

**(g)** The database program will assign the following identification numbers to the subscription:

**(1)** Subscriber number; and

**(2)** Subscription number.

**(h)** The lottery will assign the following identification numbers to the subscription:

**(1)** Batch number; and

**(2)** Sequence or certificate number.

**(i)** The lottery shall print a subscription confirmation card which shall list the following information:

**(1)** Subscriber name;

**(2)** Subscriber address;

**(3)** 5, 2-digit numbers and 1, additional 2-digit number;

**(4)** Powerplay Option (Yes or No)

**(5)** Day, month and year the subscription is effective;

**(6)** Day, month and year the subscription expires;

- (7)** A gift message, if applicable;
- (8)** Subscription number;
- (9)** Batch number; and
- (10)** Sequence or certificate number.

**(j)** The lottery shall forward a subscription confirmation card to the subscriber.

**(k)** It shall be the sole responsibility of the player to verify the following are correct:

- (1)** Subscriber name;
- (2)** Subscriber address;
- (3)** Subscriber chosen 5, 2-digit numbers and one additional 2-digit number;
- (4)** Powerplay Option (Yes or No)
- (5)** Subscription play length; and
- (6)** Effective and expiration dates.

**(l)** It shall be the sole responsibility of the subscriber to notify the Selling Lottery of incorrect data on the confirmation card prior to the effective date of the subscription.

**(m)** A subscription application form has no pecuniary or prize value and shall not constitute evidence of ticket purchase or of numbers selected.

**(n)** Once a subscription play is registered with the lottery, the registration shall constitute the only acceptable evidence of play for the subscriber.

**(o)** A subscription does not become effective until the effective date listed on the confirmation card, which shall match the effective date listed in the Selling Lottery's subscription database.

**(p)** Any changes to a subscriber's name or address shall be requested in writing by the subscriber and include the previous name and address. Name and address changes shall require a notarized letter from the subscriber.



**(q)** There shall be no changes to the subscriber's numbers during the effective dates of the subscription unless authorized by MUSL.

**(r)** Prizes shall be paid, by check or by expiration date extensions, as determined by MUSL.

**(s)** Prize checks shall be made payable to the subscription name(s) as recorded in the lottery's central computer system;

**(t)** Subscriptions, once in effect, cannot be cancelled in whole or in part except as determined by MUSL.

**(u)** Subscription renewal forms shall be forwarded to the subscriber by the lottery within a time period prior to the subscription's expiration date as determined by MUSL.

**(v)** The subscription renewal form shall contain the following information:

**(1)** Subscriber's name;

**(2)** Subscriber's address;

**(3)** 5-2 digit numbers and one additional 2-digit number;

**(4)** Powerplay Option (Yes or No)

**(5)** Subscriber number;

**(6)** Subscription number; and

**(7)** Expiration date including free play extensions, if any.

**(w)** If the subscriber elects to continue a subscription, the subscriber shall provide the lottery with the following information:

**(1)** Subscription play length;

**(2)** Powerplay Option (Yes or No)

**(3)** Change of address, if applicable;

**(4)** Payment method; and

**(5)** A change of numbers of 5-2 digit numbers and 1 additional 2-digit number, if applicable.

**(x)** Reserved for future use.

**(y)** If the subscriber selects payment for subscription by check, the check shall be payable to the Vermont Lottery Commission and attached to the subscription renewal form.

**(z)** The completed subscription renewal form shall be forwarded to the lottery headquarters for processing.

**(aa)** Upon receipt of the subscription renewal form, the lottery shall enter the subscriber's information into a lottery approved subscription database program.

**(ab)** The database program will assign the next available effective draw date for the subscription, as determined by MUSL.

**(ac)** The database program will assign a unique subscription number to the subscription:

**(ad)** The lottery will assign the following identification numbers to the subscription:

**(1)** Batch number; and

**(2)** Sequence or certificate number.

**(ae)** The Selling Lottery shall print a subscription confirmation card which shall list the following information:

**(1)** Subscriber name;

**(2)** Subscriber address;

**(3)** 5, 2-digit numbers and 1, additional 2-digit number;

**(4)** Powerplay Option (Yes or No)

**(5)** Day, month and year the subscription is effective;

**(6)** Day, month and year the subscription expires;

**(7)** A gift message, if applicable;

**(8)** Subscription number;

**(9)** Batch number; and

**(10)** Sequence or certificate number.

**(af)** The Selling Lottery shall forward a subscription confirmation card to the subscriber.