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Kim Reynolds · Governor
Adam Gregg · Lt. Governor
Matthew N. Strawn · Chief Executive Officer

AGENDA

IOWA LOTTERY BOARD

December 6, 2022

10:00 am

Dial In: 515-206-9299

(No PIN # is required to join the call)

1. Call to Order
 - a. Approval of Agenda
 - b. Approval of Minutes – September 27, 2022
2. CEO Update
3. Quarterly Reports
 - a. Revenue (Sales & Marketing)
 - b. Security
 - c. External Relations
 - d. Finance
4. Payments Working Group Update
5. Amend Multi-Jurisdiction Draw Game Rules
 - a. Powerball
 - b. Mega Millions
 - c. Lotto America
 - d. Lucky for Life
6. Fiscal Policy Update
7. Board Member Recognition
8. Adjournment

If you require the assistance of auxiliary aids or services to participate in or attend the meeting because of a disability please call our ADA coordinator at 515-725-7864, or if you are hearing impaired, call Relay TTY at 1-800-735-2942.

MINUTES

IOWA LOTTERY BOARD

September 27, 2022

10:30 a.m.

The Iowa Lottery Board convened at 10:30 a.m.; Josh Cook presiding.

Board Members Present:

Josh Cook, Katie New.

Board Members Present on Teleconference:

Mary Junge, Hon. Michael Fitzgerald.

Board Members Absent:

Mary Rathje, Dana Wingert.

Lottery Staff Participating:

Matt Strawn, CEO; Megan Tooker, EVP, Chief Administrative Officer and General Counsel; Jon Roth, Chief Revenue Officer; Mary Neubauer, VP, External Relations and Social Responsibility; Hale Strasser, VP, Lottery Systems; Kim Knight, VP, Finance and CFO; Steve Waymire, VP, Security; John Lundquist, AAG; Deb Bassett, Board Secretary.

Others Present:

Kassandra Trenary.

Others Present on Teleconference:

Maria Wagenhofer, Legislative Services Agency; Dar Danielson, Radio Iowa; Colleen Rowen, IGT.

CALL TO ORDER

Cook called the meeting to order at 10:30 a.m. and roll was taken. There was a quorum. Cook announced the meeting would be held via teleconference in accordance with Iowa Code section 21.8.

Junge moved to conduct the meeting via teleconference. New seconded. Motion carried unanimously.

APPROVAL OF AGENDA

Strawn stated that the quarterly reports would be provided in written form only, with the exception of the Finance quarterly report, for efficiency of time.

Junge moved to approve the revised agenda for the meeting. New seconded. Motion carried unanimously.

APPROVAL OF MINUTES

New moved to approve the June 30, 2022 board meeting minutes. Junge seconded. Motion carried unanimously.

CEO REPORT

Strawn discussed the 3 organizational pillars of the Iowa Lottery: operational integrity; social and community responsibility; and sustainable and consistent revenue for important state causes.

Strawn stated through the first two months of FY23, lottery sales and proceeds exceeded both budget projections and outpaced last year's performance over the same time period. FY23 gross sales totaled \$77,910,656 through August 2022, which is 31.87% ahead of budgeted sales and 10.27% ahead of FY22's pace. FY23 proceeds, through August 2022, totaled \$16,498,851, 35% ahead of budgeted proceeds and 8% ahead of FY22's pace.

QUARTERLY REPORTS

Finance:

Knight gave a financial report. Total sales for FY22 were \$432.7M, which was \$61.7M ahead of budget. Prizes paid to players in FY22 totaled \$274.2M, which was ahead of budget by \$44.5M. Operating expenses were \$12.7M, which was under budget by \$3.0M. Total proceeds for FY22 were \$98.0M, which was ahead of budget by \$24.5M.

In FY23, through August 2022, YTD sales were \$77.9M. YTD sales are ahead of budget by \$18.8M, or 32%. YTD sales are also ahead of sales for FY21 by \$7.3M, or 10%. Through August, YTD proceeds are \$16.5M. The YTD proceeds are ahead of budget by \$4.3M, or 35%. YTD proceeds are also ahead of proceeds for FY21 by \$1.2M, or 8%.

Through August, YTD prize expense is \$49.3M. The YTD prize expense is ahead of budget by \$12.9M, or 33%. YTD prize expense is also ahead of prizes for FY21 by \$4.1M, or 9%. As sales increase, the prize expense also increases.

YTD operating expenses through August remain under budget at \$2.3M and are comparable to the 5-year average.

FY24 BUDGET

Knight presented the FY24 budget; the budget reflects a 0.5% increase in revenues, expenses, and proceeds.

New moved to approve the FY24 budget. Junge seconded. Motion carried unanimously.

KEY PERSONNEL

Roth asked the board to approve Cassandra Trenary as Director, Marketing and Advertising with a starting salary of \$108,014.40, contingent upon the successful completion of an L-1 background investigation.

Junge moved to approve Cassandra Trenary as Director, Marketing and Advertising. New seconded. Motion carried unanimously.

CONTRACT FOR DRAW SERVICES

Tooker stated the lottery received a proposal from the Multi-State Lottery Association (MUSL) to conduct the Pick 3 and Pick 4 drawings. Under the proposal, the Iowa Lottery and/or its vendor, Scientific Games, would report sales data through MUSL's game management system, FLEX, during the draw process. At the conclusion of the drawing, MUSL would report winning numbers to the lottery and Scientific Games using FLEX.

A committee reviewed the MUSL proposal. Although a major procurement, there are exceptions that apply which would allow the lottery to enter into an agreement with MUSL without a formal competitive bidding process. MUSL is the most qualified vendor to provide the draw services and utilizes a game management system throughout the draw process that is proprietary to MUSL. Therefore, no other vendor can match or come close to MUSL's proposal.

Tooker recommended the board approve a contract with MUSL to provide draw services for Pick 3 and Pick 4 games.

New moved to approve the contract with MUSL for draw services. Junge seconded. Motion carried unanimously.

CONTRACT EXTENSIONS

Tooker recommended the board approve 1-year contract extensions with IGT Global Solutions, Pollard Banknote Limited, and Scientific Games, LLC for the purchase of instant tickets and related services through December 31, 2023.

Junge moved to approve the contract extensions. New seconded. Motion carried unanimously.

ADOPTED AND FILED RULEMAKING

Tooker recommended the board adopt and file the proposed administrative rule changes in the administrative code bulletin related to providing a mechanism for the lottery to deny or suspend a lottery retailer license if the lottery receives a certificate of noncompliance from the Department of Revenue.

New moved to approve to adopt and file the proposed administrative rule change. Junge seconded. Motion carried unanimously.

ANNUAL BOARD NOTIFICATIONS

Tooker provided a report of the FY22 payments for membership dues and out-of-state travel.

ADJOURNMENT

New moved to adjourn. Junge seconded. Motion carried unanimously.

Meeting adjourned at 11:08 a.m.



Security Activity Summary

09/16/2022 to 11/30/2022

Incident Type	Incident Report	78
	Case Report	22
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Contact Reasons	Damaged Tickets - Shipping	2
	Employee Theft	3
	Fire Investigation	1
	Fraud/Forgery	8
	Law Enforcement Assist	1
	Missing Packs/Tickets	9
	Missing Tickets - Shipping	2
	Other	4
	Player Assist	16
	Promotional Draw	2
	Quality Control Tickets	11
	Retailer Assist	4
	Theft	13
	Ticket Re-construction	17
	Validations	7
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Retailer Inspections		184
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IOWA LOTTERY
PERFORMANCE MEASURES
FY 2023
October 31, 2022

MONTH		JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Gross Sales	Budget FY 2023	29,659,327	29,421,354	26,322,781	31,367,288	28,330,955	30,927,309	35,785,444	29,338,046	34,267,550	31,898,250	34,321,951	30,659,745
	Actual '23	44,238,093	33,672,563	32,852,383	41,842,932	-	-	-	-	-	-	-	-
Prize Expense	Budget FY 2023	18,298,547	18,087,439	16,412,408	19,123,060	17,633,220	19,140,462	21,819,012	18,273,367	21,168,253	20,059,348	21,380,541	19,105,343
	Actual '23	26,916,442	22,393,790	20,901,296	26,033,469	-	-	-	-	-	-	-	-
Operating Expenses	Budget FY 2023	1,207,471	1,313,053	1,259,696	1,214,149	1,293,618	1,279,525	1,278,394	1,199,071	1,338,928	1,159,838	1,367,324	1,352,183
	Actual '23	1,039,787	1,254,852	1,110,597	1,121,883	-	-	-	-	-	-	-	-
Total Proceeds	Budget FY 2023	6,746,765	5,474,794	5,134,204	6,562,580	5,659,164	4,962,972	7,693,629	6,455,068	5,753,212	6,480,676	7,054,565	5,879,443
	Actual '23	11,122,326	5,376,525	7,103,656	10,283,720	-	-	-	-	-	-	-	-
YEAR TO DATE													
Gross Sales	Budget FY 2023	29,659,327	59,080,681	85,403,462	116,770,750	145,101,705	176,029,014	211,814,458	241,152,504	275,420,054	307,318,304	341,640,255	372,300,000
	Actual '23	44,238,093	77,910,656	110,763,039	152,605,971	-	-	-	-	-	-	-	-
Prize Expense	Budget FY 2023	18,298,547	36,385,986	52,798,394	71,921,454	89,554,674	108,695,136	130,514,148	148,787,515	169,955,768	190,015,116	211,395,657	230,501,000
	Actual '23	26,916,442	49,310,232	70,211,528	96,244,997	-	-	-	-	-	-	-	-
Operating Expenses	Budget FY 2023	1,207,471	2,520,524	3,780,220	4,994,369	6,287,987	7,567,512	8,845,906	10,044,977	11,383,905	12,543,743	13,911,067	15,263,250
	Actual '23	1,039,787	2,294,639	3,405,236	4,527,119	-	-	-	-	-	-	-	-
Total Proceeds	Budget FY 2023	6,746,765	12,221,559	17,355,763	23,918,343	29,577,507	34,540,479	42,234,108	48,689,176	54,442,388	60,923,064	67,977,629	73,857,072
	Actual '23	11,122,326	16,498,851	23,602,507	33,886,227	-	-	-	-	-	-	-	-

Current Month Year to Date

Prize Payout - Budget	60.96%	61.59%
Prize Payout - Actual	62.22%	63.07%
Sales - Actual increase (decrease) vs. Budget		30.69%
Proceeds - Actual increase (decrease) vs. Budget		41.67%

IOWA LOTTERY
PERFORMANCE MEASURES
FY 2023

		October 31, 2022											
		JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
MONTH													
Gross Sales	Budget FY 2023	29,659,327	29,421,354	26,322,781	31,367,288	28,330,955	30,927,309	35,785,444	29,338,046	34,267,550	31,898,250	34,321,951	30,659,745
	5-year av.	31,271,788	32,666,612	30,104,677	34,632,627	30,436,261	34,195,547	39,648,290	30,980,341	36,422,159	34,715,288	36,029,043	32,709,710
	Actual '22	34,805,463	35,848,683	38,190,315	35,863,981	33,793,692	39,055,540	41,561,778	32,289,982	36,665,395	36,660,496	34,169,472	33,758,973
	Actual '23	44,238,093	33,672,563	32,852,383	41,842,932	-	-	-	-	-	-	-	-
Prize Expense	Budget FY 2023	18,298,547	18,087,439	16,412,408	19,123,060	17,633,220	19,140,462	21,819,012	18,273,367	21,168,253	20,059,348	21,380,541	19,105,343
	5-year av.	19,511,123	20,551,910	18,873,244	21,460,967	18,747,257	22,793,372	23,986,123	18,979,664	23,791,611	21,753,528	22,557,975	20,761,240
	Actual '22	22,212,471	23,030,405	23,405,501	22,622,122	20,920,915	25,873,345	25,533,663	21,427,554	23,447,700	23,213,448	21,538,971	20,988,013
	Actual '23	26,916,442	22,393,790	20,901,296	26,033,469	-	-	-	-	-	-	-	-
Operating Expenses	Budget FY 2023	1,207,471	1,313,053	1,259,696	1,214,149	1,293,618	1,279,525	1,278,394	1,199,071	1,338,928	1,159,838	1,367,324	1,352,183
	5-year av.	1,082,107	1,093,682	1,077,106	1,148,073	1,117,414	1,077,297	1,126,386	1,019,809	1,103,090	1,098,846	1,136,285	1,255,499
	Actual '22	1,042,718	1,128,836	1,128,282	1,155,532	1,126,856	1,075,696	1,109,407	1,033,788	1,172,700	1,093,795	1,098,442	501,953
	Actual '23	1,039,787	1,254,852	1,110,597	1,121,883	-	-	-	-	-	-	-	-
Total Proceeds	Budget FY 2023	6,746,765	5,474,794	5,134,204	6,562,580	5,659,164	4,962,972	7,693,629	6,455,068	5,753,212	6,480,676	7,054,565	5,879,443
	5-year av.	7,333,080	7,045,063	6,912,017	8,493,290	6,986,392	6,614,802	10,120,743	7,578,408	8,309,389	8,169,593	8,386,794	7,288,311
	Actual '22	7,924,582	7,352,489	9,614,890	8,364,150	7,867,371	8,011,186	10,483,802	6,376,567	7,948,894	8,261,301	7,510,304	8,235,884
	Actual '23	11,122,326	5,376,525	7,103,656	10,283,720	-	-	-	-	-	-	-	-

YEAR TO DATE

Gross Sales	Budget FY 2023	29,659,327	59,080,681	85,403,462	116,770,750	145,101,705	176,029,014	211,814,458	241,152,504	275,420,054	307,318,304	341,640,255	372,300,000
	5-year av.	31,271,788	63,938,400	94,043,077	128,675,704	159,111,965	193,307,512	232,955,802	263,936,143	300,358,302	335,073,590	371,102,633	403,812,343
	Actual '22	34,805,463	70,654,146	108,844,461	144,708,442	178,502,134	217,557,674	259,119,452	291,409,434	328,074,829	364,735,325	398,904,797	432,663,770
	Actual '23	44,238,093	77,910,656	110,763,039	152,605,971	-	-	-	-	-	-	-	-
Prize Expense	Budget FY 2023	18,298,547	36,385,986	52,798,394	71,921,454	89,554,674	108,695,136	130,514,148	148,787,515	169,955,768	190,015,116	211,395,657	230,501,000
	5-year av.	19,511,123	40,063,033	58,936,277	80,397,244	99,144,501	121,937,873	145,923,996	164,903,660	188,695,271	210,448,799	233,006,774	253,768,014
	Actual '22	22,212,471	45,242,876	68,648,377	91,270,499	112,191,414	138,064,759	163,598,422	185,025,976	208,473,676	231,687,124	253,226,095	274,214,108
	Actual '23	26,916,442	49,310,232	70,211,528	96,244,997	-	-	-	-	-	-	-	-
Operating Expenses	Budget FY 2023	1,207,471	2,520,524	3,780,220	4,994,369	6,287,987	7,567,512	8,845,906	10,044,977	11,383,905	12,543,743	13,911,067	15,263,250
	5-year av.	1,082,107	2,175,789	3,252,895	4,400,968	5,518,382	6,595,679	7,722,065	8,741,874	9,844,964	10,943,810	12,080,095	13,335,594
	Actual '22	1,042,718	2,171,554	3,299,836	4,455,368	5,582,224	6,657,920	7,767,327	8,801,115	9,973,815	11,067,610	12,166,052	12,668,005
	Actual '23	1,039,787	2,294,639	3,405,236	4,527,119	-	-	-	-	-	-	-	-
Total Proceeds	Budget FY 2023	6,746,765	12,221,559	17,355,763	23,918,343	29,577,507	34,540,479	42,234,108	48,689,176	54,442,388	60,923,064	67,977,629	73,857,072
	5-year av.	7,333,080	14,378,143	21,290,160	29,783,450	36,769,842	43,384,644	53,505,387	61,083,795	68,393,184	76,562,777	84,949,571	92,237,882
	Actual '22	7,924,582	15,277,071	24,891,961	33,256,111	41,123,482	49,134,668	59,618,470	65,995,037	73,943,931	82,205,232	89,715,536	97,951,420
	Actual '23	11,122,326	16,498,851	23,602,507	33,886,227	-	-	-	-	-	-	-	-

	Current Month	Year to Date
Prize Payout - Budget	60.96%	61.59%
Prize Payout - 5-Year Average	61.97%	62.48%
Prize Payout - Actual	62.22%	63.07%
Sales - Actual increase (decrease) vs. 5-Year Average		18.60%
Proceeds - Actual increase (decrease) vs. 5-Year Average		13.78%
Sales - Actual increase (decrease) vs. Budget		30.69%
Proceeds - Actual increase (decrease) vs. Budget		41.67%

IOWA LOTTERY AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
For the Three Months Ending Friday, September 30, 2022

	Month ended 9/30/2022	Month ended 9/30/2021	Year-to-date 9/30/2022	Year-to-date 9/30/2021
Operating revenues:				
Instant-scratch ticket sales	\$21,949,924.00	\$23,254,807.00	\$66,704,918.00	\$72,866,814.00
InstaPlay sales	1,970,808.00	2,008,542.00	6,021,932.00	5,341,279.00
Pick 3 sales	726,114.50	745,505.50	2,308,861.50	2,311,460.50
Powerball sales	3,050,933.50	7,128,112.00	9,776,085.00	14,270,758.50
Mega Millions Sales	2,137,828.00	2,441,210.00	16,626,895.00	6,227,208.00
Pick 4 sales	467,133.50	423,919.50	1,460,372.00	1,344,798.50
Lucky for Life sales	677,950.00	659,646.00	2,123,216.00	1,873,646.00
Lotto America sales	813,128.00	515,263.00	2,552,132.00	1,520,089.00
Pull-tab sales	1,058,563.28	1,013,310.00	3,188,626.98	3,088,407.27
Application fees	700.00	450.00	1,400.00	2,525.00
Other	884.33	741.50	2,086.91	2,733.08
Total operating revenues	32,853,967.11	38,191,506.50	110,766,525.39	108,849,718.85
Operating expenses:				
Scratch ticket prizes	14,607,242.00	15,176,218.00	45,511,013.00	48,627,894.00
InstaPlay prizes	1,538,777.46	1,462,722.76	4,614,936.90	3,780,901.11
Pick 3 prizes	435,668.70	447,303.30	1,385,316.90	1,386,876.30
Powerball prizes	1,455,504.89	3,563,114.00	4,822,934.89	7,135,530.00
Mega Millions prizes	1,066,491.00	1,220,605.00	8,311,024.50	3,113,604.00
Pick 4 prizes	326,886.70	254,351.70	1,022,679.80	806,879.10
Lucky for Life prizes	402,929.42	392,050.69	1,261,901.62	1,109,907.25
Lotto America prizes	406,564.00	257,631.50	1,276,066.00	760,044.50
Pull-tab prizes	661,231.60	631,504.00	2,005,654.57	1,926,740.63
Advertising/publicity	803,211.74	736,283.69	2,712,292.60	2,111,220.37
Retailer compensation expense	2,141,351.37	2,508,113.46	7,175,817.72	7,126,449.58
Ticket expense	235,554.72	326,863.44	816,297.73	802,520.77
Vendor compensation expense	513,458.80	600,981.60	1,716,393.86	1,674,378.01
Salary and benefits	887,360.45	929,161.25	2,720,603.44	2,719,472.57
Travel	34,377.21	23,818.01	99,031.33	67,277.13
Supplies	18,662.74	21,464.66	34,135.68	45,966.47
Printing	-	-	67.50	-
Postage	370.53	361.94	1,218.72	892.54
Communications	14,148.50	14,351.36	43,197.90	41,330.91
Rentals	(23,593.91)	19,247.05	28,007.89	53,036.15
Utilities	9,293.34	8,355.99	28,142.01	25,187.31
Professional fees	7,251.00	8,525.53	21,997.00	26,201.48
Vending machine maintenance	22,848.00	21,840.00	68,544.00	65,520.00
Outside services and repairs	137,982.09	114,199.95	380,584.62	244,362.56
Data processing	12,512.35	10,777.46	37,536.26	32,091.02
Equipment	10,379.42	11,736.16	49,147.75	32,090.66
Reimbursement to other state agencies	35,814.03	37,433.63	106,280.87	108,035.46
Depreciation	47,524.13	40,522.33	144,888.01	118,849.70
Amortization	135,223.26	-	135,223.26	-
Other	12,668.01	6,197.40	40,258.51	15,043.27
MUSL/Lotto administrative expense	8,777.45	2,665.85	26,332.35	7,997.59
Total operating expenses	25,966,471.00	28,848,401.71	86,597,527.19	83,966,300.44
Operating income	6,887,496.11	9,343,104.79	24,168,998.20	24,883,418.41
Non-operating revenue (expenses):				
Proceeds to state causes	(7,103,656.22)	(9,614,890.10)	(23,602,507.24)	(24,891,961.68)
Interest income	53,233.89	31,920.18	53,233.89	31,920.18
Interest expense	(8,565.21)	-	(8,565.21)	-
Gain (Loss) on disposal of capital assets	-	-	-	10,400.00
Net non-operating revenues (expenses)	(7,058,987.54)	(9,582,969.92)	(23,557,838.56)	(24,849,641.50)
Change in net position	(171,491.43)	(239,865.13)	611,159.64	33,776.91
Net position beginning of period	6,350,993.19	4,675,191.59	5,568,342.12	4,401,549.55
Net position end of period	6,179,501.76	4,435,326.46	6,179,501.76	4,435,326.46

IOWA LOTTERY AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
For the Four Months Ending Monday, October 31, 2022

	Month ended 10/31/2022	Month ended 10/31/2021	Year-to-date 10/31/2022	Year-to-date 10/31/2021
Operating revenues:				
Instant-scratch ticket sales	\$ 22,188,316.00	\$ 23,961,673.00	\$ 88,893,234.00	\$ 96,828,487.00
InstaPlay sales	2,394,079.00	1,462,637.00	8,416,011.00	6,803,916.00
Pick 3 sales	748,740.00	794,450.50	3,057,601.50	3,105,911.00
Powerball sales	11,174,704.00	5,432,562.00	20,950,789.00	19,703,320.50
Mega Millions Sales	2,124,896.00	1,509,537.00	18,751,791.00	7,736,745.00
Pick 4 sales	496,228.50	464,585.50	1,956,600.50	1,809,384.00
Lucky for Life sales	715,314.00	684,662.00	2,838,530.00	2,558,308.00
Lotto America sales	1,035,021.00	519,401.00	3,587,153.00	2,039,490.00
Pull-tab sales	965,633.98	1,034,473.24	4,154,260.96	4,122,880.51
Application fees	550.00	175.00	1,950.00	2,700.00
Other	287.12	266.30	2,374.03	2,999.38
Total operating revenues	<u>41,843,769.60</u>	<u>35,864,422.54</u>	<u>152,610,294.99</u>	<u>144,714,141.39</u>
Operating expenses:				
Scratch ticket prizes	15,391,132.01	16,093,138.67	60,902,145.01	64,721,032.67
InstaPlay prizes	1,580,480.60	991,862.20	6,195,417.50	4,772,763.31
Pick 3 prizes	449,244.00	476,670.30	1,834,560.90	1,863,546.60
Powerball prizes	5,595,158.50	2,716,644.00	10,418,093.39	9,852,174.00
Mega Millions prizes	1,083,698.38	754,768.50	9,394,722.88	3,868,372.50
Pick 4 prizes	388,770.30	278,751.30	1,411,450.10	1,085,630.40
Lucky for Life prizes	425,136.14	406,914.22	1,687,037.76	1,516,821.47
Lotto America prizes	517,510.50	259,700.50	1,793,576.50	1,019,745.00
Pull-tab prizes	602,338.92	643,672.24	2,607,993.49	2,570,412.87
Advertising/publicity	911,642.59	666,659.15	3,623,935.19	2,777,879.52
Retailer compensation expense	2,722,736.52	2,330,087.61	9,898,554.24	9,456,537.19
Ticket expense	220,128.24	251,065.41	1,036,425.97	1,053,586.18
Vendor compensation expense	652,159.19	532,744.32	2,368,553.05	2,207,122.33
Salary and benefits	851,452.13	858,627.51	3,572,055.57	3,578,100.08
Travel	26,483.68	20,930.95	125,515.01	88,208.08
Supplies	5,238.93	5,046.47	39,374.61	51,012.94
Printing	258.58	-	326.08	-
Postage	371.43	313.78	1,590.15	1,206.32
Communications	17,096.94	14,334.66	60,294.84	55,665.57
Rentals	11,641.70	17,185.37	39,649.59	70,221.52
Utilities	4,046.08	3,550.22	32,188.09	28,737.53
Professional fees	9,097.58	11,168.55	31,094.58	37,370.03
Vending machine maintenance	22,848.00	21,840.00	91,392.00	87,360.00
Outside services and repairs	123,476.35	173,387.73	504,060.97	417,750.29
Data processing	12,512.89	10,735.30	50,049.15	42,826.32
Equipment	70,172.32	43,011.09	119,320.07	75,101.75
Reimbursement to other state agencies	36,142.94	34,630.21	142,423.81	142,665.67
Depreciation	46,931.52	41,187.83	191,819.53	160,037.53
Amortization	45,884.70	-	181,107.96	-
Other	17,126.80	4,095.37	57,385.31	19,138.64
MUSL/Lotto administrative expense	9,002.97	2,665.86	35,335.32	10,663.45
Total operating expenses	<u>31,849,921.43</u>	<u>27,665,389.32</u>	<u>118,447,448.62</u>	<u>111,631,689.76</u>
Operating income	<u>9,993,848.17</u>	<u>8,199,033.22</u>	<u>34,162,846.37</u>	<u>33,082,451.63</u>
Non-operating revenue (expenses):				
Proceeds to state causes	(10,283,719.81)	(8,364,150.01)	(33,886,227.05)	(33,256,111.69)
Interest income	35,147.93	577.05	88,381.82	32,497.23
Interest expense	(2,960.05)	-	(11,525.26)	-
Gain (Loss) on disposal of capital assets	-	25,193.00	-	35,593.00
Net non-operating revenues (expenses)	<u>(10,251,531.93)</u>	<u>(8,338,379.96)</u>	<u>(33,809,370.49)</u>	<u>(33,188,021.46)</u>
Change in net position	<u>(257,683.76)</u>	<u>(139,346.74)</u>	<u>353,475.88</u>	<u>(105,569.83)</u>
Net position beginning of period	<u>6,179,501.76</u>	<u>4,435,326.46</u>	<u>5,568,342.12</u>	<u>4,401,549.55</u>
Net position end of period	<u>5,921,818.00</u>	<u>4,295,979.72</u>	<u>5,921,818.00</u>	<u>4,295,979.72</u>



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Kim Reynolds · Governor
Adam Gregg · Lt. Governor
Matthew N. Strawn · Chief Executive Officer

Memorandum

To: Iowa Lottery Board of Directors
From: Kim Knight, Chief Financial Officer
Date: November 30, 2022
Re: Lottery Payments Working Group Update

Over the last six months, the Iowa Lottery has undertaken an enterprise-wide initiative with a focus on modernizing payment options to Lottery players as they claim prizes. The aim of the initiative has been to increase convenience for players and retailers while meeting consumer expectations and maintaining robust security standards. I led a Payments Working Group of members from all departments at the Iowa Lottery as we reviewed current prize payment procedures and identified new opportunities.

Current Payment Methods

Today, Iowa Lottery players receive prize payments by cash, check or money order at retail locations and by check in nearly all instances at Iowa Lottery offices. (Jackpot prizes, which can be claimed only at Lottery headquarters, are paid via wire transfer, but other prizes claimed at Lottery offices are paid by check.)

Retail locations are authorized to pay prizes up to and including \$600. All other prizes must be claimed at an Iowa Lottery office.

Throughout the payment options initiative, the Working Group remained cognizant of the interests of both Iowa Lottery players and retailers. Key factors considered were:

- (1) Retailers' concerns regarding workplace safety and therefore, the limits they place upon cash on hand. Some retail locations today limit prize amounts they will pay to \$100, sending players to another retailer or an Iowa Lottery office to claim prizes larger than that amount.
- (2) There is less cash involved in retail transactions today as more consumers utilize card payments or electronic wallets.
- (3) Players want the convenience of claiming prizes up to \$600 at any retail location, particularly in smaller communities that may only have a few businesses.
- (4) Players want cash in their pockets.
- (5) Some players do not have accounts at traditional financial institutions and/or do not want a check.

Additional Payment Options

The Payments Working Group conducted research and identified two additional payment options for the Iowa Lottery to implement. The Lottery's intent is to conduct a pilot project for one of the initiatives at retail, while the other initiative will be implemented only at Lottery offices.

The additional options are: payment of lottery prizes on non-reloadable prepaid debit cards; and Automated Clearing House payments (commonly called ACH payments) to electronically transfer money from the Lottery directly to player accounts at financial institutions.

Prize payments on non-reloadable prepaid debit cards can be offered at Iowa Lottery offices and participating retail locations. The Working Group believes that this option will improve the convenience of claiming prizes of up to \$600 for both players and retailers. Further, the non-reloadable prepaid debit cards will be an option for players claiming prizes at Iowa Lottery offices who do not want a check or ACH payment.

It is the intention of the Working Group that non-reloadable prepaid debit cards will be offered for prizes from \$20-\$600 at participating Iowa Lottery retail locations and for prizes of \$20-\$5,000 at Iowa Lottery offices.

The second option identified by the Working Group is the ACH payment, understanding that the option will be limited to Iowa Lottery offices. ACH payments will be for those players who prefer to have their prize payments deposited directly into their accounts at financial institutions.

After discussions with the State Treasurer's Office, the Working Group believes that ACH payments can be made by the Iowa Lottery to players for prize amounts up to and including \$5 million, currently the maximum non-jackpot prize level offered in our games. However, the Lottery will need to educate players about federal insurance coverage limits for deposits in accounts at financial institutions.

The Payments Working Group offers sincere appreciation to the staff at the State Treasurer's office for their help and assistance. The Treasurer's staff has been key not only in the Lottery's research related to the ACH payments, but also in assisting the Iowa Lottery with preparations for special events throughout the summer of 2022.

Implementation Goals

The Lottery's goal is to begin a pilot project in early calendar year 2023 of prize payments on non-reloadable prepaid debit cards at select retail locations. After evaluating the results of the pilot project, the Lottery can then choose to make this payment option available at any participating Iowa Lottery retailer.

The Lottery is evaluating the changes needed to the prize-payment processes at Lottery offices with the goal of offering prize payments via non-reloadable prepaid debit cards at Iowa Lottery offices by the end of fiscal year 2023.

Due to the complexity of the process and the sensitive data needed to process ACH payments, that payment option at Lottery offices is expected to be available after implementation of prize payments via non-reloadable prepaid debit cards.

Future Considerations

Going forward, the Payments Working Group will continue to monitor emerging payment options that may be of interest to the Iowa Lottery, its players and retailers.

As with the current initiative, the Lottery's goal is to provide convenience for players and retailers while meeting consumer expectations and maintaining security standards.



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Kim Reynolds · Governor
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Matthew N. Strawn · Chief Executive Officer

Memorandum

To: Iowa Lottery Board of Directors
From: Megan Tooker, Mary Neubauer
Date: November 30, 2022
Re: Updating Multi-Jurisdiction Lotto Game Rules to 180 days

In an effort to align Iowa Lottery procedures with current industry standards and encourage players to claim prizes in an expeditious manner, Iowa Lottery staff proposes amendment of the Powerball[®], Mega Millions[®], Lotto America[®], and Lucky for Life[®] game rules to require that prizes be claimed within 180 days of the drawing for which the winning tickets were eligible. The current prize-claim period for these games in Iowa is 365 days, the longest in the United States and outside the norm for the U.S. lottery industry.

The change will allow the funds from prizes that expire in Iowa without being claimed to more quickly benefit players through the Lottery's prize pools for future game and promotions.

Review Of U.S. Lottery Prize-Claim Deadlines

Iowa is one of only 14 states that allows 365 days for a player to claim a prize in a multi-jurisdictional lotto game. By contrast, 33 jurisdictions (including the three most populous U.S. states) require those prizes to be claimed within 180 days or six months (182 days): Arizona, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Idaho, Indiana, Kentucky, Louisiana, Maryland, Mississippi, Missouri, Montana, Nebraska, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Virginia, Washington, West Virginia, Wisconsin, Wyoming, Puerto Rico, U.S. Virgin Islands, and Washington, D.C. New Mexico requires players to claim their prizes within 90 days.

The Iowa Lottery's recommendation follows nearly a year of due diligence and research by Iowa Lottery departmental management.

As you know, the Iowa Lottery wants all winners to claim the prizes they legitimately have won. The Lottery routinely takes great lengths to highlight large prizes that remain unclaimed for a period after they are won. The Lottery's efforts have included paid advertising, signage in stores, social media posts, news conferences and news releases to raise public awareness about unclaimed prizes.

Iowa-Specific Considerations

A review of Iowa prize-claim data also highlights that the current 365-day claim period could inadvertently lead some prizes to go unclaimed. The Iowa Lottery reviewed claims from a sampling of recent lotto drawings and found that the vast majority of prize claims occurred within

six months of the drawing date. In fact, less than 3 percent of prizes from those drawings were claimed after 180 days.

Iowa Lottery staff do not want prizes to expire simply because the passage of time caused the player involved to unintentionally misplace the ticket or accidentally throw it away.

The recommended update of the multi-jurisdiction lotto prize-claim period will benefit Iowa Lottery players in multiple ways. The first is that it aligns with the Iowa Lottery's consistent messaging to players to promptly check their tickets (and sign them) and claim their prizes. The second benefit of this change comes in the Lottery's use of unclaimed prizes for future player prizes and special prize promotions.

Iowa Code section 99G.31(3)(d) requires the Lottery to use unclaimed prizes (prizes not claimed within the prize claim period) for future prizes or special prize promotions. The 180-day claim period allows the Iowa Lottery to utilize unclaimed prize funds more quickly to enhance promotions and offer unique player prize experiences through its VIP Club. This is a win-win proposition: The money from prizes that expire without being claimed will more quickly be returned to Lottery players while new promotions can generate revenue for important state causes.

Additionally, time is an important consideration from a security perspective. As time passes, it becomes more difficult for those involved to accurately recall the details of a ticket purchase and provide that information to the Iowa Lottery for verification purposes.

For comparison purposes, these are the prize-claim periods for other Iowa Lottery products:

- Tickets in Iowa-specific lotto games (Pick 3 and Pick 4) are valid for 90 days from the date of the drawing.
- Tickets in scratch games are valid for 90 days after the announced end of the game.
- Tickets in pull-tab games are valid for 90 days after the announced end of the game.
- Tickets in InstaPlay games are valid for 90 days from the date of purchase.

Additional Background, Implementation Timeline

Staff research of jurisdictions with current 180-day claim periods indicates that players have ample time to seek advice from an attorney or a tax professional before coming forward to claim their prize.

Upon the Lottery Board's approval of this staff recommendation, Lottery staff will prepare and execute a comprehensive public awareness campaign to ensure that Iowa Lottery players and retailers are aware of this change prior to it taking effect on or about March 1, 2023.

IOWA LOTTERY GAME SPECIFIC RULES
POWERBALL®

The following are the game specific rules for the Iowa Lottery's implementation and operation of the POWERBALL® multistate lottery game. These game specific rules are generated consistent with the authority in Iowa Code § 99G.9(4) (2021) and Iowa Code § 99G.31(2)(b) (2021). The game specific rules are generated in compliance with the Computerized Lottery Games General Rules in 531 Iowa Administrative Code Chapter 20, and incorporate the rules in Chapter 20 except to the extent the rules in Chapter 20 are expressly inapplicable to multistate lottery games. In the event of inconsistencies, these game specific rules control any contrary provisions of the Computerized Lottery Games General Rules in 531 Iowa Administrative Code Chapter 20. In purchasing a play for or otherwise participating in the POWERBALL® multistate lottery game, the player agrees to comply with and abide by the Iowa Lottery's statutes, administrative rules, the POWERBALL® national game rules adopted by the Multi-State Lottery Association, and these Iowa specific game rules.

Method of Play. The POWERBALL® lottery game is a five (5) out of sixty-nine (69) plus (1) out of twenty-six (26) on-line lottery game which pays the Jackpot prize, at the election of the player, either on an annuitized pari-mutuel basis or as a single lump sum payment of the total cash held for this prize pool on a pari-mutuel basis. The match 5 + 0 Power Play prize is paid as a cash prize or on a pari-mutuel basis. Except as provided in these rules, all other prizes are paid on a set cash basis. To play POWERBALL®, a player shall select five (5) different numbers, from one (1) and through sixty-nine (69) and one (1) additional number from one (1) and through twenty-six (26), for input into a terminal. The additional number may be the same as one of the first five numbers selected by the player. Plays can be purchased from a terminal operated by a licensed retailer. The player may select a set of five numbers and one additional number by communicating the six numbers to the retailer, or by marking the numbered squares in any one game panel on a play slip and submitting the play slip to the retailer or by requesting an "easy pick" from the retailer. The Lottery may also at its discretion, offer a promotion known as the Power Play Option. As noted below, the player may also elect the Power Play Option when it is available. The retailer will then issue a play, via the terminal, containing the selected set or sets of numbers, each set of which constitutes a game play.

Power Play Option. The Power Play Option is an add-on to the current POWERBALL® 5/69 + 1/26 game and must be selected at the time the POWERBALL® play is purchased. Players who elect to pay an extra one dollar (\$1.00) per POWERBALL® Play will have the opportunity to increase the original prizes (all prizes except the jackpot prize) through Power Play, when that feature is offered. Except as provided in the rules, a qualifying play which wins one of the seven lowest lump sum Set Prizes will be multiplied by the number selected, either two, three, four, five, or ten (2, 3, 4, 5, or 10) in a separate random Power Play selected during the official POWERBALL® drawing. The match 5 + 0 prize for players selecting the Power Play option shall be paid \$2,000,000.00 (two million dollars), regardless of the Power Play number selected, unless a higher limited promotional amount is announced by the group. Note that any set prizes or Power Play prizes, including the Match 5+0 prize, may be reduced if wins exceed the available prize fund.

Price. A game play in the POWERBALL® lottery game shall sell for \$2, including sales tax where required by law. When offered, the Power Play Option shall sell for an additional \$1.00 per game play.

Multi-draw plays. Multi-draw plays may be available for up to 10 consecutive drawings.

Drawings. ~~Two~~ Three drawings shall be held each week. Drawings shall be held each Monday, each Wednesday, and each Saturday.

Prizes and odds.

1. The following table sets forth the odds of winning in each prize category, the prize amount in each prize category and the expected percentage of the total prize pool allocated to each prize category, although the prize payout percentage per draw may vary.
2. If winners at non-jackpot prize levels exceed the available prize fund, prizes may be paid on a pari-mutuel basis and be lower than set prize levels. This includes winners at the Match 5+0 with Power Play level.

Number of Matches Per Play	Prize Pool Odds	Prize	Prize Pool Percentage Allocated to Prize
All five (5) of first set plus one (1) of second set	1:292,201,338.0000	Jackpot	68.0131 %*
All five (5) of first set and none of second set	1:11,688,053.5200	\$1,000,000	8.5558%
Any four (4) of first set plus one (1) of second set	1:913,129.1813	\$50,000	5.4757%
Any four (4) of first set and none of second set	1:36,525.1673	\$100	0.2738%
Any three (3) of first set plus one (1) of second set	1:14,494.1140	\$100	0.6899%
Any three (3) of first set and none of second set	1:579.7646	\$7	1.2074%
Any two (2) of first set plus one (1) of second set	1:701.3281	\$7	0.9981%
Any one (1) of first set plus one (1) of second set	1:91.9775	\$4	4.3489%
None of first set plus one (1) of second set	1:38.3239	\$4	10.4373%

Overall odds of winning any prize are 1 in 24.8671.

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

Expected Prize Payout.

Prize Amount						
Regardless of Power Play number selected:						
Match 5+0	\$1,000,000.00	\$2,000,000.00	\$2,000,000.00	\$2,000,000.00	\$2,000,000.00	
	Prize Amount	10X	5X	4X	3X	2X
Match 4+1	\$50,000.00	\$500,000	\$250,000.00	\$200,000.00	\$150,000.00	\$100,000.00
Match 4+0	\$100.00	\$1,000	\$500.00	\$400.00	\$300.00	
	\$200.00					
Match 3+1	\$100.00	\$1,000	\$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

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.

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 \$10,000.00 becomes \$5,000.00 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 \$25,000.00.

Probability of Winning Power Play. 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), regardless of the Power Play number selected. The Group may elect to run limited promotions that may modify the multiplier features.

For Drawings When the 10X Multiplier is Available:

Power Play	Probability of Prize Increase
10X - Prize Won Times 10	1 in 43
5X - Prize Won Times 5	2 in 43
4X - Prize Won Times 4	3 in 43
3X - Prize Won Times 3	13 in 43
2X - Prize Won Times 2	24 in 43

For Drawings When the 10X Multiplier is not Available

Power Play	Probability of Prize Increase
10X - Prize Won Times 10	0 in 42
5X - Prize Won Times 5	2 in 42
4X - Prize Won Times 4	3 in 42
3X - Prize Won Times 3	13 in 42
2X - Prize Won Times 2	24 in 42

Power Play does not apply to the POWERBALL® Jackpot. Except as provided by a special promotion, a Power Play Match 5 prize is set at two million dollars (\$2 million), regardless of the multiplier selected.

Claims. A ticket or, if electronic game play is introduced in this state a properly registered ticketless transaction, shall be the only proof of a game play or plays. The submission of a winning ticket on secure, Lottery-approved paper to the Iowa Lottery or a licensed retailer, depending on the value of the prize, shall be the sole method of claiming POWERBALL® prizes. A Play Slip has no pecuniary or prize value and shall not constitute evidence of play purchase or of numbers selected. A terminal-produced paper receipt has no pecuniary or prize value and shall not constitute evidence of play purchase or of numbers selected.

Claim period. All prizes must be claimed as directed within ~~365~~180 calendar days of the drawing in which the prize was won. For purposes of determining the claim period, the first (draw) day shall be excluded, and the last day included. In the event the last day falls on a Saturday, a Sunday, a legal holiday or any day appointed or recommended by the Governor of Iowa or the President of the United States as a day of fasting or thanksgiving, the time to claim shall be extended to close of business on the next day thereafter when Lottery offices are open for business. Any prize not claimed within the specified period shall be forfeited.

The Lottery may delay payment of any prize, pending a determination by the CEO, in the following circumstances:

- If a dispute occurs or appears to the Lottery to be likely to occur regarding the prize;
- If there are questions regarding the identity or eligibility of the claimant;
- If there are concerns regarding the validity of the ticket or share presented;
- If there are any questions or concerns about whether the ticket was legally purchased, legally possessed, or legally presented;
- If the claim is subject to offset for debts owed by the claimant under Iowa law;
- For any reason permitted in the rules of the Multi-State Lottery Association; or
- For any reason permitted in the Lottery’s code, administrative rules, or policies.

Election of Jackpot Prize. Jackpot prizes shall be paid, at the election of the player made no later than 60 days after the player becomes entitled to the prize, with either a per winner annuity or a cash payment equal to the total cash held for this prize pool on a pari-mutuel basis. A player becomes entitled to a prize upon validation, by the Lottery, of a winning play for the prize. If the payment election is not made by the player within 60 days after the player becomes entitled to the prize, then the prize shall be paid as an annuity prize. An election for an annuity payment made by a player before play purchase or by system default or design may be changed to a cash payment at the election of the player until the expiration of 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 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 Jackpot shall be determined by dividing the cash available in the Jackpot pool equally among all winners of the Jackpot. Winner(s) who elect a cash payment shall be paid their share(s) in a single cash payment. If the jackpot is a guaranteed amount, then the amount of the cash payment shall be determined by dividing the advertised jackpot amount by the annuity factor obtained through the Multi-State Lottery Association's (MUSL) formal quote process. Neither MUSL nor the Selling Lotteries, including the Iowa Lottery, 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. If an annuity has a cash value of less than \$250,000.00, the Product Group, in its sole discretion, may elect to pay the cash value of their share of the funds in the Jackpot pool. All prizes paid by annuities shall be paid in thirty (30) payments with the initial payment being made by check or wire transfer, to be followed by twenty-nine (29) payments funded by the annuity. Except as may be controlled by a member's governing statute, the amount of each payment shall be determined in accordance with MUSL's established annuity payment policies and/or rules. The initial payment of an annuitized prize shall not be made by the lottery until the fifteenth calendar day following the drawing. 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 jackpot winning numbers. The prize money allocated to the jackpot prize category shall be divided equally by the number of game plays winning the jackpot prize.

Payment of Prizes. All prizes, other than jackpot prizes, shall be paid by cash, check, warrant, or electronic transfer. Prizes may be paid after receiving authorization to pay from MUSL.

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

Prize Rollover. If the jackpot prize is not won in a drawing, the prize money allocated for the jackpot prize shall roll over and be added to the jackpot prize pool for the following drawing.

Power Play Prize Pool. As per MUSL rules, fifty percent (50%) of each draw's sales shall be collected for the payment of prizes, including contributions to the prize pool accounts and prize reserve accounts. The prize payout percentage per draw may vary. In drawings where the 10X multiplier is available, the expected payout for all prize categories shall consist of up to 49.969% percent of each drawing period's sales, including tax, until the jackpot prize is funded to the annuitized amount guaranteed by the MUSL board. In drawings where the 10X multiplier is not available, the expected payout for all prize categories shall consist of up to 45.934% of each drawing period's sales. Any amount remaining in the prize pool at the end of this game shall be carried forward to a replacement game or expended in a manner selected by the individual members of the Product Group in accordance with state law.

Prize Pool Accounts and Prize Reserve Accounts. The Powerball Product Group has established the following accounts:

- (1) 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
- (2) 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).
- (3) the Grand Prize Pool (GPP), which is used to fund the current Grand Prize;
- (4) the Set Prize Pool (SPP), which is used to fund all prizes other than the Grand Prize. The SPP shall also hold any 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 liability for set prizes for the draws in question;
- (5) 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;
- (6) 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; and
- (7) the Power Play Prize Pool (PPP), which is used to hold the temporary balances that may result from having fewer than expected winners from Power Play purchases. The source of the PPP is the Party Lottery's weekly prize contributions less actual Power Play Prize liability.

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, subject to review and approval in the manner set forth in the Powerball national game rules.

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 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.

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

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 approval as set forth in the national game rules.

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. 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.

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 jurisdictional statutes and requirements.

When the jackpot prize reaches the annuitized amount guaranteed by the MUSL board, up to 5 percent of sales, including tax, shall be placed in trust in one or more prize reserve accounts until the prize reserve accounts reach the amount designated by the MUSL board. Once the prize reserve accounts exceed the designated amount, the excess shall become part of the prize pool. Any amount remaining in a prize reserve account at the end of this game shall be carried forward to a replacement prize reserve account or expended in a manner as directed by the MUSL board. The amount remaining in the prize reserve account from the previous MUSL game shall be carried forward to the POWERBALL® game.

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

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

Pari-Mutuel Powerball Prize Determinations. If the total of set cash prizes awarded in a drawing exceeds the percentage of the prize pool allocated to the set prize levels, then the amount needed to fund all set cash prizes awarded shall be drawn from the following sources in the following order: (a) the amount allocated to the set cash prizes and carried forward from previous draws, if any; (b) an amount from the set prize reserve account, if available, not to exceed \$40 million per drawing; and (c) other amounts as agreed to by the Product Group in their sole discretion. If, after these sources are depleted, there are not sufficient funds to pay the set cash prizes awarded, including Power Play prizes, then the highest set prize

shall become a pari-mutuel prize. If 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 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 set prizes and power play prizes will be reduced by the same percentage.

Play Validation Requirements. Tickets must be validated and satisfy all requirements of the Multi-State Lottery Association in order to be eligible to receive a prize. In order to receive a POWERBALL® prize, any winning play must pass all Iowa Lottery validation tests, including confidential specifications.

Ineligible Players. The following persons, and their immediate family members residing in the same household, are ineligible to: (1) claim a POWERBALL® prize in any lottery jurisdiction; or (2) to purchase a ticket or share of the POWERBALL® game in any lottery jurisdiction:

- Directors, officers or employees of the Multi-State Lottery Association;
- Subcontractors, consultants, or vendors of the Multi-State Lottery Association under agreement with MUSL to review MUSL audit and security procedures;
- 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;

In addition, the following persons, and their immediate family members residing in the same household, are ineligible to: (1) claim a POWERBALL® prize in Iowa; or (2) to purchase a ticket or share of the POWERBALL® game in Iowa:

- Members of the Iowa Lottery Authority Board of Directors, Iowa Lottery Authority officers, employees, or agents;
- Officers, employees, and agents of the subcontractors and vendors of the Iowa Lottery Authority, if the CEO of the Iowa Lottery Authority determines in his sole discretion that the officer, employee, or agent of the subcontractor or vendor has access to confidential information which may compromise the integrity of the Iowa Lottery;
- Players that sign up for the Iowa Lottery's self-exclusion program; and
- Any person under the age of 21. (However, the recipient of a lawfully purchased and transferred ticket permitted by Chapter 531 of the Iowa Administrative Code may receive a POWERBALL® prize.)

Player Responsibility. The Player has sole responsibility for ensuring the accuracy of the game play and the other data on the game ticket. Players make game play selections and play POWERBALL® at their own risk. Retailers and other Lottery-approved distributors act solely on behalf of the player in entering the game plays. Neither the Iowa Lottery nor MUSL are responsible for lost, altered, or stolen tickets.

Compliance with Law. By purchasing a ticket or making a claim relating to the POWERBALL® game, each purchaser and claimant agrees to abide by applicable statutes and rules of the Iowa Lottery.

Disputes. Any litigation relating to tickets and/or prizes for a POWERBALL® ticket sold in Iowa shall apply Iowa law and shall solely be brought against the Iowa Lottery in the Iowa District Court for Polk County or the United States District Court for the Southern District of Iowa, Central Division, wherever jurisdiction is appropriate. No claim shall be made against the Multi-State Lottery Association or other participating lottery in Powerball. Nothing in these Rules shall be construed as a waiver of any defense or claim the Iowa Lottery, any other participating lottery, or the Multi-State Lottery Association may have in any litigation, including in the event a player or prize claimant pursues litigation relating in any way to the Powerball game.

Final Determinations. Consistent with Iowa Code Chapter 99G, decisions made by the CEO of the Iowa Lottery, including but not limited to those relating to the declaration of prizes, the payment or transfer of prizes, the eligibility of players, and/or the interpretation of these rules, shall be final and binding on all purchasers and any person making a claim relating in any way to this POWERBALL® game. All liabilities for a Powerball prize are discharged upon payment of a prize claim. In accordance with Iowa law, any prize claimed but unpaid shall constitute an unclaimed prize under these Rules and the laws, rules, regulations, procedures, and decisions of the Iowa Lottery.

Exclusive Remedy. In the event a dispute between an Iowa Lottery and a ticket player, bearer, or claimant occurs relating to the ticket, game play, or prize claim, the Iowa Lottery may in its discretion reimburse the purchase price of the ticket. This shall be the sole and exclusive remedy.

IOWA LOTTERY GAME SPECIFIC RULES

MEGA MILLIONS®

The following are the game specific rules for the Iowa Lottery's implementation of the MEGA MILLIONS® multi-jurisdictional game. These game-specific rules are generated consistent with the authority in Iowa Code § 99G.9(4) (201421) and Iowa Code § 99G.31(2)(b) (201421). The game-specific rules are generated in compliance with the Computerized Lottery Games General Rules in 531 Iowa Administrative Code Chapter 20, and incorporate the rules in Chapter 20 except to the extent the rules in Chapter 20 are expressly inapplicable to multistate lottery games. In the event of inconsistencies, these game-specific rules control any contrary provisions of the Computerized Lottery Games General Rules in 531 Iowa Administrative Code Chapter 20. In purchasing a ticket for or otherwise participating in the MEGA MILLIONS® multistate lottery game, the player agrees to comply with and abide by the Iowa Lottery's statutes, administrative rules, the national game rules adopted by the Mega Millions Consortium and the Mega Millions Product Group, and these Iowa-specific game rules.

SECTION 1 - DEFINITIONS

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

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

- J. "Retailer" means the person or entity licensed by the Iowa Lottery to sell game plays or tickets.
- K. "Set Prize" means all other prizes except the Grand Prize that are advertised to be paid by a single cash payment and, except in instances outlined in these rules, will be equal to the prize amount established by the MUSL Board for the prize level.
- L. "Specific game rules" means the rules promulgated by the Lottery pursuant to Iowa Code section 99G.9(4) and 531 Iowa Administrative Code Chapter 20 that contain the features of a particular computerized game or promotion.
- M. "Terminal" means a device issued by the Lottery to a licensed retailer that is authorized by the Lottery to function with the Lottery's central computer system for the purpose of issuing, entering, receiving, and processing lottery transactions.
- N. "Winning numbers" means the indicia selected during a drawing which shall be used to determine winning plays for the Mega Millions game contained on a game ticket. There will be six (6) winning numbers for each drawing, the first five (5) from a field of seventy (70) numbers and the last one (1) from a field of twenty-five (25) numbers.

SECTION 2 – GAME DESCRIPTION AND PLAY

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

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

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

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

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

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

SECTION 3 – GAME TICKETS AND COST

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

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

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

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

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

SECTION 4 – CANCELLATIONS AND SELL-OUTS PROHIBITED

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

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

SECTION 5 – DRAWINGS

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

SECTION 6 – PRIZES

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

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

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

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

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

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

paid to set prize winners for the multiplier numbers drawn.

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 7- CLAIMS

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

The submission of a valid winning Game Ticket to the Lottery or its authorized agent shall be the sole method of claiming a prize or prizes. All prize claims shall be made within ~~three hundred sixty five (365)~~ one hundred eighty (180) calendar days of the drawing date in which the prize is won. For purposes of determining the claim period, the first (draw) day shall be excluded, and the last day included. In the event the last day falls on a Saturday, a Sunday, or a legal holiday, the time to claim shall be extended to close of business on the next day thereafter when Lottery offices are open for business. Any prize not claimed within the specified period shall be forfeited.

SECTION 8- PAYMENT

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

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

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

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

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

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

D. Timing of Payment.

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

- (i) If a dispute occurs or appears to the Iowa Lottery to be likely to occur regarding the prize;

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

SECTION 9- PROHIBITED PLAYERS

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

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

SECTION 10- DISPUTES AND APPLICABLE LAW

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

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

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

Court for the Southern District of Iowa, Central Division, wherever jurisdiction is appropriate.

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

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

IOWA LOTTERY GAME SPECIFIC RULES

LOTTO AMERICA®

The following are the game specific rules for the Iowa Lottery's implementation of the LOTTO AMERICA® multi-jurisdictional game. These game-specific rules are generated consistent with the authority in Iowa Code § 99G.9(4) (2021) and Iowa Code § 99G.31(2)(b) (2021). The game-specific rules are generated in compliance with the Computerized Lottery Games General Rules in 531 Iowa Administrative Code Chapter 20, and incorporate the rules in Chapter 20 except to the extent the rules in Chapter 20 are expressly inapplicable to multistate lottery games. In the event of inconsistencies, these game-specific rules control any contrary provisions of the Computerized Lottery Games General Rules in 531 Iowa Administrative Code Chapter 20. In purchasing a ticket for or otherwise participating in the LOTTO AMERICA multistate lottery game, the player agrees to comply with and abide by the Iowa Lottery's statutes, administrative rules, the national game rules adopted by the Multi-State Lottery Association and the Lotto America Product Group, and these Iowa-specific game rules.

SECTION 1 – DEFINITIONS

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

- A. "Drawing" means the formal event for selecting the winning indicia that determine the number of winners for each prize level of the Lotto America game. Winning indicia include the winning numbers for the Lotto America game.
- B. "Drawing machine" means a computer or other device that determines the outcome of the process of selection of winning and losing tickets or shares in a lottery.
- C. "Game ticket" or "ticket" means a ticket produced by a terminal or manufacturing process that is the tangible evidence to prove participation in a game.
- D. "Jackpot" or "Grand Prize" means the top prize of the Lotto America game.
- E. "Lotto terminal" means a machine that prints and dispenses tickets or shares that will be determined to be winning or losing tickets or shares either by a predetermined pool drawing machine or by a drawing machine at some time subsequent to the dispensing of the tickets or shares.
- F. "Pari-mutuel" means that the prize pool will be shared among all those who won at that prize level.
- G. "Participating Lottery" or "Selling Lottery" means a state lottery or lottery of a political subdivision or entity which is participating in selling the Lotto America game.
- H. "Play" or "game play" means the six (6) numbers, the first five (5) from a field of fifty-two (52) numbers and the last one (1) from a field of ten (10) numbers, that appear on a ticket as a single lettered selection and are to be played by a player in the game.

- I. "Play slip" or "game play slip" means a card used in marking a player's game plays and containing one or more boards.
- J. "Retailer" means the person or entity licensed by the Iowa Lottery to sell game plays or tickets.
- K. "Set Prize" means all other prizes except the Grand Prize that are advertised to be paid by a single cash payment and, except in instances outlined in these rules, will be equal to the prize amount established by the MUSL Board for the prize level.
- L. "Specific game rules" means the rules promulgated by the Lottery pursuant to Iowa Code section 99G.9(4) and 531 Iowa Administrative Code Chapter 20 that contain the features of a particular computerized game or promotion.
- M. "Terminal" means a device issued by the Lottery to a licensed retailer that is authorized by the Lottery to function with the Lottery's central computer system for the purpose of issuing, entering, receiving, and processing lottery transactions.
- N. "Winning numbers" means the indicia selected during a drawing which shall be used to determine winning plays for the Lotto America game contained on a game ticket. There will be six (6) winning numbers for each drawing, the first five (5) from a field of fifty-two (52) numbers and the last one (1) from a field of ten (10) numbers.

SECTION 2 – GAME DESCRIPTION AND PLAY

- A. General Play. The Lotto America lottery game is a five (5) out of fifty-two (52) plus (1) out of ten (10) lottery game which pays the Grand Prize, at the election of the player, either on an annuitized pari-mutuel basis or as a cash lump sum payment of the total cash held for this prize pool on a pari-mutuel basis. Except for the Grand Prize, or as provided in these rules, all other prizes are Set Prizes, paid on a set cash basis.

To play Lotto America, a player shall select five (5) different numbers, from one (1) through fifty-two (52) and one (1) additional number from one (1) through ten (10), for input into a terminal. The additional number may be the same as one (1) of the first five (5) numbers selected by the player. Tickets can be purchased from a terminal operated by a retailer. The player may select a set of five (5) numbers and one (1) additional number by marking the numbered squares in any one (1) game panel on an Iowa Lottery approved play slip and submitting the play slip to a licensed retailer, by requesting an "easy pick" from a licensed retailer, or by entering either five (5) different numbers, from one (1) through fifty-two (52) and one (1) additional number from one (1) through ten (10) or an easy pick into an Iowa Lottery self-service kiosk.

- B. All Star Bonus® Option. The Lottery may also, at its discretion, offer a promotion known as the All Star Bonus®.

The All Star Bonus option is an add-on to the current Lotto America 5/52 + 1/10 game. Players who purchase the All Star Bonus option will have the opportunity to multiply the set prizes (all prizes except the jackpot prize) by a number (a multiplier) that is selected at draw time.

Before each Lotto America drawing, a single multiplier number: two, three, four, or five (2, 3, 4, or 5), shall be drawn for the All Star Bonus. The Iowa Lottery may change one or more of these multiplier numbers for special promotions from time to time. Players who purchase the extra All Star Bonus and who win any set prize, except the Grand Prize, will receive an amount equal to the set prize won multiplied by the multiplier number selected at the drawing when the win occurred. A qualifying play is any single Lotto America play for which the player purchases the additional All Star Bonus play option and which is recorded at the Iowa Lottery's central computer system as a qualifying play. The Grand Prize is not a set prize and will not be multiplied or increased by means of the All Star Bonus promotion.

SECTION 3 – GAME TICKETS AND COST

- A. Cost. A game play in the Lotto America lottery game shall sell for one dollar (\$1.00). In conjunction with the purchase of a Lotto America game play, players may also purchase the All Star Bonus option for an additional one dollar (\$1.00).
- B. Game Tickets. Game tickets shall be printed on ticket stock that meets all specifications and requirements of the Iowa Lottery, the Multi-State Lottery Association, and the Lotto America Product Group, including but not limited to confidential specifications.

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

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

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

SECTION 4 – CANCELLATIONS AND SELL-OUTS PROHIBITED

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

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

SECTION 5– DRAWINGS

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

SECTION 6– PRIZES

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

- A. Prizes & Odds of Winning. The overall odds of winning a Lotto America prize are 1 in 9.63. The specific odds and prize levels are set forth below.

Prize Pool

Number of Matches Per Lotto America Play	<u>Rounded Odds</u>	<u>Probable Set Prize Amount</u>	<u>Rounded Percent Allocated to Prize</u>
First Set + Second Set			
Five (5) + One (1)	1:25,989,600	Jackpot	46.20%
Five (5) + None	1:2,887,733.33	\$20,000	1.39%
Four (4) + One (1)	1:110,594.04	\$1,000	1.81%
Four (4) + None	1:12,288.23	\$100	1.63%
Three (3) + One (1)	1:2,404.22	\$20	1.66%
Three (3) + None	1:267.14	\$5	3.74%
Two (2) + One (1)	1:160.28	\$5	6.24%
One (1) + One (1)	1:29.14	\$2	13.73%
None + One (1)	1:16.94	\$2	23.61%

- B. Determination of Prizes. The jackpot or grand prize shall be determined on a pari-mutuel basis. If winners at non-jackpot prize levels exceed the available prize fund, prizes may be paid on a pari-mutuel basis and be lower than set prize levels. The Lotto America Lotteries may set a minimum guaranteed graduated annual annuity Grand Prize amount, which shall be advertised by the selling

lotteries as the starting graduated annual annuity grand prize amount. In certain rare instances, the Lotto America set prize amount may be less than the amount shown.

The prize pool is estimated to be fifty percent (50%) of Lotto America sales, but may be higher or lower based upon the number of winners at each guaranteed prize level, as well as the funding required to meet the official advertised jackpot (including the All Star Bonus prize amounts). The official advertised Lotto America grand prize graduated annual annuity amount is subject to change based on sales forecasts and/or actual sales.

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

Prize Levels	Standard	With All Star Bonus			
		2X	3X	4X	5X
Match 5+0	\$20,000	\$40,000	\$60,000	\$80,000	\$10,000
Match 4+1	\$1,000	\$2,000	\$3,000	\$4,000	\$5,000
Match 4+0	\$100	\$200	\$300	\$400	\$500
Match 3+1	\$20	\$40	\$60	\$80	\$100
Match 3+0	\$5	\$10	\$15	\$20	\$25
Match 2+1	\$5	\$10	\$15	\$20	\$25
Match 1+1	\$2	\$4	\$6	\$8	\$10
Match 0+1	\$2	\$4	\$6	\$8	\$10

MULTIPLIER NUMBERS DO NOT APPLY TO THE LOTTO AMERICA GRAND PRIZE. THE LOTTO AMERICA JACKPOT PRIZE CANNOT BE INCREASED OR AFFECTED BY THE ALL STAR BONUS.

The following table sets forth the standard probability of the various All Star Bonus numbers being drawn during a single Lotto America drawing. The Lotto America Product Group, at their sole discretion, may elect to run limited promotions that may increase the frequency of designated multiplier numbers for the All Star Bonus feature.

All Star	Probability of Prize Increase
5X – Prize Won Times 5	3 in 32
4X – Prize Won Times 4	4 in 32
3X – Prize Won Times 3	10 in 32
2X – Prize Won Times 2	15 in 32

Multiplier numbers do not apply to the Lotto America Grand Prize.

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

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

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

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

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

- (i) the amount allocated to the set cash prizes and carried forward from previous draws, if any;
- (ii) an amount from the set prize reserve account and the All Star Bonus multiplier prize pool, if available, not to exceed the amount set in those accounts;
- (iii) An amount from the set aside pool, if any.

If, after these sources are depleted, there are not sufficient funds to pay the set cash prizes awarded, including the All Star Bonus prizes, then the set prizes shall become a pari-mutuel basis, drops to or below the next highest set prize and there are still not sufficient funds to pay the remaining set prizes awarded, then the next highest set prize shall become a pari-mutuel prize. This procedure shall continue down through all set 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. When the promotion is available, All Star Bonus Option prizes shall be a factor of the new amounts.

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

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

SECTION 7– CLAIMS

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

The submission of a valid winning Game Ticket to the Lottery or its authorized agent shall be the sole method of claiming a prize or prizes. All prize claims shall be made within ~~three hundred sixty five (365)~~ one hundred eighty (180) calendar days of the drawing date in which the prize is won. For purposes of determining the

claim period, the first (draw) day shall be excluded, and the last day included. In the event the last day falls on a Saturday, a Sunday, or a legal holiday, the time to claim shall be extended to close of business on the next day thereafter when Lottery offices are open for business. Any prize not claimed within the specified period shall be forfeited.

SECTION 8– PAYMENT

- A. Paying Prizes. The Iowa Lottery may pay prizes pursuant to this game by cash, check, warrant, or electronic transfer, following the Iowa Lottery’s receipt of any necessary information or permission to pay from the Lotto America Product Group or the Multi-State Lottery Association.

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

If an annuity has a cash value of less than \$250,000.00, the Lotto America Product Group, in its sole discretion, may elect to pay the cash value of the annuity. All prizes paid by annuities shall be paid in thirty (30) graduated annual installments with the initial payment being made by check, to be followed by twenty-nine (29) payments funded by the annuity. Except as may be controlled by a member’s governing statute, the amount of each payment shall be determined in accordance with Lotto America Product Group’s established annuity payment policies and/or rules. The initial payment of an annuitized prize shall be made by the lottery after the completion of internal validation procedures. Annual payments after the initial payment shall be made by the lottery to coincide with the month on the Federal auction on the date at which the bonds were purchased to fund the annuity, with graduated annual installments defined in the Lotto America Lotteries’ Finance and Operations

Procedures. Payments shall escalate by a factor of five percent (5%) annually except as otherwise determined by the Product Group, and annual payments shall be rounded down to the nearest even one thousand dollar (\$1,000.00) increment. All such payments shall be made within seven (7) days of the anniversary of the annual auction date.

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

- B. Shared Jackpots. Shares of the Grand Prize shall be determined by dividing the cash available in the Grand Prize pool equally among all winners of the Grand Prize. Winner(s) who elect a cash payment shall be paid their share(s) in a single cash payment. If the jackpot is a guaranteed amount, then the amount of the cash payment shall be determined by dividing the official advertised jackpot amount by the annuity factor obtained through the Lotto America Product Group formal quote process.
- C. Estate Proceedings/Annuity Prizes. In the event of the death of a Jackpot winner during the annuity payment period, upon petition of the estate of that winner (the "Estate") to the Iowa Lottery and with the consent of the Product Group, the Iowa Lottery may accelerate the payment of all the remaining lottery proceeds to the Estate consistent with the requirements of Iowa law.
- D. Timing of Payment.

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

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

SECTION 9– PROHIBITED PLAYERS

The following persons, and their immediate family members residing in the same household, are prohibited from purchasing a ticket or share of the Lotto America game or claiming a Lotto America prize in the State of Iowa.

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

SECTION 10– DISPUTES AND APPLICABLE LAW

- A. Player Responsibility. The Player has sole responsibility for ensuring the accuracy of the game play and the other data on the Game Ticket. Players make game play selections and play Lotto America at their own risk. Retailers and other Lottery-approved distributors act solely on behalf of the player in entering the game plays. The Participating Lotteries are not responsible for lost, altered, or stolen tickets.
- B. Compliance with Law. By purchasing a ticket or making a claim relating to the Lotto America game, each purchaser and/or claimant agrees to abide by all applicable statutes, rules, and regulations of the Iowa Lottery.
- C. Disputes. Any claims or litigation relating to the Game Tickets and/or prizes may only be brought against the selling lottery in the jurisdiction where the Game Ticket was purchased. Any claims or litigation relating to Game Tickets and/or prizes for a Lotto America ticket sold in Iowa shall apply Iowa law and shall solely be brought in the Iowa District Court for Polk County or the United States District Court for the Southern District of Iowa, Central Division, wherever jurisdiction is appropriate.
- D. Final Determinations. Consistent with Iowa Code Chapter 99G, decisions made by the CEO of the Iowa Lottery, including but not limited to those relating to the declaration of prizes, the payment or transfer of prizes, the eligibility of players, and/or the interpretation of these rules, shall be final and binding on all purchasers and any person making a claim relating in any way to this Lotto America game.

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



**IOWA LOTTERY
GAME SPECIFIC RULES**

LUCKY FOR LIFE®

IOWA LOTTERY GAME SPECIFIC RULES

LUCKY FOR LIFE[®]

The following are the game specific rules for the Iowa Lottery's implementation of the Lucky for Life[®] multi-jurisdictional lottery game. These game-specific rules are generated consistent with the authority in Iowa Code § 99G.9(4) (2021) and Iowa Code § 99G.31(2)(b) (2021). The game-specific rules are generated in compliance with the Computerized Lottery Games General Rules in 531 Iowa Administrative Code Chapter 20, and incorporate the rules in Chapter 20 except to the extent the rules in Chapter 20 are expressly inapplicable to multistate lottery games. In the event of inconsistencies, these game-specific rules control any contrary provisions of the Computerized Lottery Games General Rules in 531 Iowa Administrative Code Chapter 20. In purchasing a ticket for or otherwise participating in the Lucky for Life[®] multistate lottery game, the player agrees to comply with and abide by the Iowa Lottery's statutes, administrative rules, the national game rules adopted by the New England Lotteries, and these Iowa-specific game rules.

SECTION 1 - DEFINITIONS

As used in these rules:

- A. **"Annuitized Payment Option"** shall mean the manner in which the Game's Top Prize or second prize (also referred to as "Prize Level #2") may be paid in equal payments or installments over a specified number of years. The Annuitized Payment Option shall be calculated on an annual basis, scheduled at the Iowa Lottery's discretion.
- B. **"Cash Option"** shall mean the manner in which the Game's Top Prize or second prize may be paid upon the Winner's request in one (1) single lump-sum payment as an alternative to the Annuitized Payment Option.
- C. **"Drawing"** shall mean the formal process of selecting Winning Numbers that conclusively determines the number of Winners for each prize level of the Game.
- D. **"Game Ticket"** or **"Ticket"** shall mean acceptable evidence of Lucky for Life[®] game play, as determined in the sole discretion of the Iowa Lottery, that represents a wager accepted by the Iowa Lottery's on-line gaming system, meeting the specifications defined in these game rules. Tickets purchased from non-licensed Iowa Lottery retailers are not considered valid Game Tickets in the state of Iowa.
- E. **"Liability Limit"** shall mean a pre-established threshold, as determined by the New England Lotteries, for paying Top Prize, second prize and third prize claims, as set forth more fully in these rules.
- F. **"Set Prize"** shall mean a pre-determined prize payout that is paid in a single cash payment. Set Prizes shall apply to the lowest eight (8) prize levels. They may also apply, however, to the Top Prize and second prize under certain conditions, as set forth more fully in these rules.
- G. **"Split Prize"** shall mean a pre-determined Set Prize payout that is divided equally among the number of winning tickets of a prize level. Split prizes shall only apply to the Game's Top Prize, the Prize Level #2 and Prize Level #3 Winners under certain conditions, as set forth more fully in these rules.

H. **“Winning Numbers”** shall mean the first five (5) numbers from a set of forty-eight (48) numbers inclusive, and the one (1) Lucky Ball number drawn from a set of eighteen (18) numbers inclusive, that are randomly selected in each Lucky for Life® Drawing and used to determine the winning plays on a ticket.

SECTION 2 - GAME DESCRIPTION AND PLAY

Lucky for Life® is a five (5) out of forty-eight (48) numbers, and a one (1) out of eighteen (18) numbers, double matrix game, drawn twice per week in accordance with these rules. The one (1) out of eighteen (18) number, known as the Lucky Ball, may be the same as one (1) of the first (5) numbers selected for this game.

To play Lucky for Life®, a player shall select five (5) different numbers, from one (1) through forty-eight (48), and one (1) additional number from one (1) to eighteen (18), by communicating those numbers to a licensed Iowa Lottery retailer, by marking the numbered squares on a Lucky for Life® play slip printed or approved by the Iowa Lottery and directly submitting the play slip to a licensed retailer, by requesting an “easy pick” from the licensed retailer, or by entering either five (5) different numbers, from one (1) through forty-eight (48), and one (1) additional number from one (1) to eighteen (18) or an “easy pick” into an Iowa Lottery self-service kiosk.

SECTION 3 - GAME TICKETS AND COST

Game tickets may be purchased for two dollars (\$2.00) per Play, or multiples thereof, in accordance with these rules. The player receives one (1) play for each two dollar (\$2.00) wager.

Game tickets shall be printed on ticket stock that meets all requirements of the Iowa Lottery and the New England Lotteries. Valid game tickets shall include, but not be limited to, the following content: the player’s number selections, the game logo or game name, the ticket cost, the applicable terminal number, a barcode, a drawing date, and designations for quick picks (if selected) and advance draws (if selected).

Only Lucky for Life® game tickets can be redeemed for prizes pursuant to these rules. Receipts and play slips have no pecuniary or prize value and cannot be utilized as evidence of purchase or number selection.

SECTION 4 - CANCELLATIONS AND SELL-OUTS PROHIBITED

A Lucky for Life® ticket may not be voided or canceled, even when printed in error. No ticket that can be used to claim a prize shall be returned to the Lottery for credit. Tickets accepted by retailers as returned tickets that cannot be resold are owned by the bearer thereof. No Lucky for Life® ticket, or physical portion thereof, may be returned to any Party Lottery for credit.

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

SECTION 5 - DRAWINGS

Seven Drawings shall be held each week. Drawings will be held daily beginning at 9:38 p.m. Central Time, except as otherwise determined by the New England Lotteries. The Iowa sales cutoff time for the drawing

shall be 8:30 pm, Central Time. The New England Lotteries will determine all procedures for the game Drawings, which shall be open to the public and recorded. All Drawings shall be witnessed by an independent certified public accounting firm.

SECTION 6 - PRIZES

There are ten (10) prize levels in the Lucky for Life® game. The prize amounts for Prize Levels one (1) through three (3) are dependent on the number of winners at each prize level, as set forth in more detail below. The prize amounts for Prize Levels four (4) through ten (10) are set payments payable in a single cash payment in accordance with Iowa Lottery policies and rules, in the amounts set forth in more detail below.

- A. **Prizes and Odds of Winning.** The overall odds of winning a Lucky for Life® prize are 1 in 7.77. The specific odds and prize levels are set forth below.

PRIZE LEVEL	MATCHES MATRIX #1 (5 OF 48)	MATCHES MATRIX #2 (1 OF 18)	ODDS OF WINNING: 1/	PRIZE	% SALES
1	5	1	30,821,472.000	\$7,000/Week for Life*	10.2201%
2	5	0	1,813,027.765	\$25,000/Year for Life*	11.6380%
3	4	1	143,355.684	\$5,000*	1.7439%
4	4	0	8,432.687	\$200	1.1859%
5	3	1	3,413.231	\$150	2.1973%
6	3	0	200.778	\$20	4.9806%
7	2	1	249.749	\$25	5.0050%
8	2	0	14.691	\$3	10.2103%
9	1	1	49.950	\$6	6.0060%
10	0	1	32.019	\$4	6.2463%
				TOTAL PAYOUT	59.4335 %

*Prize amounts may be split if there are multiple winners, in accordance with these rules. Split prizes may be lower than these published prize amounts.

- B. **Top Prize.** Except as provided in these rules, the Top Prize (Prize Level #1) shall be annuitized and based on a Top Prize liability that will be split equally among the number of winning Game Tickets. To the extent permitted by these rules, a Top Prize Winner may request the Cash Option, the amount of which is to be established by the New England Lotteries for a defined period of drawings and made publicly available on the Game's website and/or other manners as determined by the participating lotteries. Under certain circumstances, as detailed below, the Top Prize must be paid in a single lump-sum payment and no Annuitized Payment Option is available.

1. If there is one (1) Top Prize Winner, the annuitized prize value will be seven thousand dollars (\$7,000.00) per week for life. As an alternative to the Annuitized Payment Option, the Top Prize Winner may request the Top Prize Cash Option in the amount set by the New England Lotteries.
2. If there are between two (2) and fourteen (14) Top Prize Winners, the Annuitized Payment Option, based on an annuitized prize value of seven thousand dollars (\$7,000.00) per week, will be divided by the total number of Top Prize Winners. The minimum annuitized prize value for this category will be five hundred dollars (\$500.00) a week for life. Any of these two (2) to fourteen (14) Top Prize Winners may choose the Cash Option as an alternative to the Annuitized Payment Option. The amount of the Cash Option for this category will be the amount of the Top Prize Cash Option set by the New England Lotteries divided by the total number of Top Prize Winners.
3. If there are fifteen (15) or more Top Prize Winners, the Top Prize liability shall be capped at seven million, one hundred twenty-five thousand dollars (\$7,125,000.00), which shall be split equally among all Top Prize Winners, and paid in one (1) lump-sum payment, without any Annuitized Payment Option. The minimum prize value for this category shall not be less than any lower tier prize paid in that respective Drawing.

Top Prize winners permitted to elect the Annuitized Payment Option pursuant to these rules will be paid on the schedule set at the discretion of the selling Lottery, for a minimum period of twenty (20) years.

C. **Second Prize.** Except as provided in these rules, the Second Prize (Prize Level #2) shall be annuitized and based on a Second Prize liability that will be split equally among the number of winning Game Tickets. To the extent permitted by these rules, a Second Prize winner may request the Cash Option, the amount of which is to be established by the New England Lotteries for a defined period of drawings and made publicly available on the Game's website and/or other manners as determined by the participating lotteries. Under certain circumstances, as detailed below, the Second Prize must be paid in a single lump-sum payment and no Annuitized Payment Option is available.

1. If there are between one (1) and twenty (20) Second Prize winner(s), the annuitized prize value will be twenty-five thousand dollars (\$25,000.00) per year for life. Any of these one (1) to twenty (20) second prize Winner(s) may choose the Second Prize Cash Option as an alternative to the Annuitized Payment Option. The amount of the Cash Option for this category will be set forth by the New England Lotteries.
2. If there are twenty-one (21) or more Second Prize winners, the Second Prize liability shall be capped at nine million, four hundred thousand dollars (\$9,400,000.00), split equally among all Second Prize winners, and shall be paid in a single lump-sum payment, without an Annuitized Payment Option. The minimum prize value for this category shall not be less than any lower tier prize paid in that Drawing.
3. The winner(s) of the Second Prize who do not request the Cash Option shall be paid their appropriate second prize share on an annual basis for a minimum period of twenty (20) years, paid on the schedule set at the discretion of the selling Lottery.

D. **Measuring Life for Top Prize and Second Prize.** For a single wager, the measuring life of a Top Prize Winner used to determine the duration over which the Top Prize or Second Prize is paid, shall be the natural life of the individual determined by the selling lottery to be the Top Prize or Second Prize Winner. If the Top Prize or a Second Prize under a single wager is being claimed by more than one (1)

natural person or by a legal entity, the measuring life for that Top Prize or Second Prize Winner shall be twenty (20) years. The measuring life shall be determined at the time the prize is claimed.

- E. **Third Prize.** Except as provided in these rules, the Third Prize (Prize Level #3) will be paid as a five thousand dollar (\$5,000.00) set prize. If there are more than one thousand (1,000) Winners of this prize level in a single drawing, the total prize liability of five million dollars (\$5,000,000.00) (\$5,000.00 x 1,000) will be split equally among the winners. Under no circumstances, however, will the value of the Third Prize fall below a minimum prize value of two hundred dollars (\$200.00) per winner, regardless of the number of winners. Third Prizes will be paid in a single cash payment.
- F. **Fourth Prize through Tenth Prize.** The remaining prize levels are set forth in the chart contained in these rules.
- G. **Prizes Determined.** Cash or annuity prize payment elections must be made within sixty (60) days of the player becoming 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. Elections not made within sixty (60) days are subject to a default election as determined in the discretion of the Lottery. All prizes are rounded to the nearest whole dollar, and are subject to tax withholding and offset as required by state and federal law. The holder of a winning Game Ticket shall be entitled only to the prize won by matching the Winning Numbers in the highest matching prize category. Only one (1) prize per play, board, or panel may be won on a Game Ticket.

SECTION 7 - CLAIMS

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

The submission of a valid winning Game Ticket to the Lottery or its authorized agent shall be the sole method of claiming a prize or prizes. All prize claims shall be made within ~~three hundred sixty five (365)~~ one hundred eighty (180) calendar days of the drawing date in which the prize is won. For purposes of determining the claim period, the first (draw) day shall be excluded, and the last day included. In the event the last day falls on a Saturday, a Sunday, or a legal holiday, the time to claim shall be extended to close of business on the next day thereafter when Lottery offices are open for business. Any prize not claimed within the specified period shall be forfeited.

The Lottery may delay payment of any prize, pending a determination by the CEO, in the following circumstances:

- If a dispute occurs or appears to the Iowa Lottery to be likely to occur regarding the prize;
- If there are questions regarding the identity or eligibility of the claimant;
- If there are any questions or concerns about whether the ticket was legally purchased, legally possessed, or legally presented;
- If there are concerns regarding the validity of the ticket or share presented;

- If the claim is subject to offset for debts owed by the claimant under Iowa law;
- For any reason permitted in the rules of the New England Lotteries applicable to the Lucky for Life® game; or
- For any reason permitted in the Iowa Lottery's Code, administrative rules, or policies.

SECTION 8 - PAYMENT

- A. **Paying Prizes.** The Iowa Lottery may pay prizes pursuant to this game by cash, check, warrant, or electronic transfer, following the Iowa Lottery's receipt of any necessary information or permission to pay from the New England Lotteries.
- B. **Assigned Prizes.** To the extent permitted by Iowa law, or as required by an order of a court of competent jurisdiction, Lucky for Life® prizes may be assigned. However, no assignment of a Lucky for Life® prize may alter the measuring life of the claimant upon which the prize was based or change, limit, or extend the number of annuitized payments due any assignee.
- C. **Estate Proceedings/Annuity Prizes.** In the event of the death of a Top Prize or second prize Winner during the annuity payment period, the Selling Lottery, with the approval of the Iowa Lottery and the New England Lotteries, upon petition of the estate of that winner (the "Estate") to the Iowa Lottery, the Iowa Lottery may accelerate the payment of all the remaining lottery proceeds to the Estate consistent with the requirements of Iowa law.
1. If the annuitant dies during the annuity payment period but before the guaranteed prize amount has been paid, the Estate shall receive the remaining payments equal to the minimum guaranteed prize amount.
 2. If the annuitant dies during the annuity payment period but after the minimum guaranteed prize amount has been paid, all payments shall stop.

SECTION 9 - PROHIBITED PLAYERS

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

- A contractor or consultant under agreement with the Iowa Lottery to perform audit and security functions, and any officers, employees, or agents of those contractors or consultants.
- An employee of the Iowa Lottery's on-line gaming system vendor.
- An employee of the Iowa Lottery's advertising or public relations provider.
- Members of the Iowa Lottery Authority Board of Directors, Iowa Lottery Authority officers, employees, or agents;
- Officers, employees, and agents of the subcontractors and vendors of the Iowa Lottery Authority, if the CEO of the Iowa Lottery determines in his sole discretion that the officer, employee, or agent of the subcontractor or vendor has access to confidential information which may compromise the integrity of the Lottery.

- Players that sign up for the Iowa Lottery's self-exclusion program.
- Any person under the age of 21. However, the recipient of a lawfully purchased and transferred ticket permitted by Chapter 531 of the Iowa Administrative Code may receive a Lucky for Life® prize.
- An employee of the independent certified public accounting firm under contract to oversee Drawings for the Lucky for Life® game.
- Those persons ineligible to play Lucky for Life® due to the Lucky for Life National Game rules, or the laws or rules of any other party lottery offering the Lucky for Life® game.

SECTION 10 - DISPUTES AND APPLICABLE LAW

- A. **Player Responsibility.** The Player has sole responsibility for ensuring the accuracy of the game play and the other data on the Game Ticket. Players make game play selections and play Lucky for Life® at their own risk. Retailers and other Lottery-approved distributors act solely on behalf of the player in entering the game plays. The Participating Lotteries are not responsible for lost, altered, or stolen tickets.
- B. **Compliance with Law.** By purchasing a ticket or making a claim relating to the Lucky for Life® game, each purchaser and/or claimant agrees to abide by all applicable statutes, rules, and regulations of the Iowa Lottery.
- C. **Disputes.** Any claims or litigation relating to the Game Tickets and/or prizes may only be brought against the selling lottery in the jurisdiction where the Game Ticket was purchased. Any claims or litigation relating to Game Tickets and/or prizes for a Lucky for Life® ticket sold in Iowa shall apply Iowa law and shall solely be brought in the Iowa District Court for Polk County or the United States District Court for the Southern District of Iowa, Central Division, wherever jurisdiction is appropriate.
- D. **Final Determinations.** Consistent with Iowa Code Chapter 99G, decisions made by the CEO of the Iowa Lottery, including but not limited to those relating to the declaration of prizes, the payment or transfer of prizes, the eligibility of players, and/or the interpretation of these rules, shall be final and binding on all purchasers and any person making a claim relating in any way to this Lucky for Life® game.
- E. **Exclusive Remedy.** In the event a dispute between a Iowa Lottery and a Game Ticket player, bearer, or claimant occurs relating to the Game Ticket, game play, or prize claim, the Iowa Lottery may solely at its own discretion reimburse the purchase price of the Game Ticket. This shall be the sole and exclusive remedy.



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Kim Reynolds · Governor
Adam Gregg · Lt. Governor
Matthew N. Strawn · Chief Executive Officer

Memorandum

To: Iowa Lottery Board of Directors

From: Megan Tooker

Date: November 30, 2022

Re: Fiscal Policy – Employee Referral Program

In an effort to recruit additional candidates for open lottery positions, staff is recommending the board adopt an employee referral program. The proposed program is based on similar programs adopted by other state agencies. The purpose of the program is to incentivize lottery employees to encourage friends, relatives and acquaintances to apply for open lottery positions. Under the program, an eligible lottery employee will be paid \$500 in the event the employee refers a job applicant to the lottery and the applicant is hired and works at least six months at the lottery. Lottery management and employees involved in the hiring process will not be eligible for this program.

Iowa Lottery Authority—Financial Management

Section Pre-Audit	Procedure No. XXX	Page No. 1 of 2	Effective Date <u>December 6,2022</u>
Subject Employee Referral Program – Job Applicants			

PURPOSE:

The employee referral program will provide an incentive to a current Iowa Lottery Authority (ILA) employee who refers job applicants to ILA. Applicants must be selected for employment and successfully complete the probationary period prior to the incentive being provided to the referring ILA employee.

ELIGIBILITY:

A referral payment will be paid to any permanent full-time or part-time ILA employee who refers an applicant that is subsequently selected for hire and successfully completes the probationary period for a full-time or part-time position. An applicant can be for any position at ILA.

For an employee to be eligible to receive a referral payment, the applicant must note the employee referring them on their NEOGOV application. The employee referral only applies to that specific job requisition the applicant is interviewing for. If more than one employee has referred an applicant for a position, the employees will equally split the referral payment.

A referred applicant cannot be:

- Currently or formerly employed with ILA; or
- Temporary employee of ILA; or
- ILA contractor/consultant.

An employee is not eligible for a referral payment if the employee is:

- the hiring manager or involved in the hiring process of the position; or
- the CEO, a VP, manager, supervisor, or the Human Resources Associate,; or
- utilized as a reference for the applicant.

Iowa Lottery Authority—Financial Management

Section Pre-Audit	Procedure No. XXX	Page No. 2 of 2	Effective Date <u>December 6,2022</u>
Subject Employee Referral Program – Job Applicants			

REFERRAL AMOUNT AND METHOD OF PAYMENT

The referral payment will be a \$500 lump-sum payment paid out to the employee in their regular paycheck after the referred applicant (new employee) completes their six-month probationary period. HR will process the referral payment at the conclusion of the new employee's probationary period.

The referral payment is not included in base pay for the purposes of calculating overtime or IPERS contributions. The incentive payment does not impact employees' shift differential, hourly pay, overtime pay, or other increases or payments.

This incentive is limited to a maximum of \$1,500 per fiscal year.

APPROVAL

A Special Pay/Appointment Action Form (M-40) is required to be approved by the ILA CEO, the Department of Administrative Services (DAS), and the Department of Management (DOM) Director, if applicable, before a referral payment is made.

DOCUMENT RETENTION

The Special Pay/Appointment Action Form (M-40) is required to be retained in the employee's official HR personnel file.

DISCLAIMER

This policy may be revised or discontinued at any time by the ILA CEO.

If any provision of this policy conflicts with a collective bargaining agreement or Iowa Department of Administrative Services' administrative rules, the agreement or rule, as applicable, shall prevail.