

Amended: August 20, 2015

Effective: October 7, 2015

POWERBALL RULES

5 OUT OF 69 AND 1 OUT OF 26

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

DEFINITIONS

“**Advertised Grand Prize**” means the estimated Grand Prize amount as determined by the MUSL Central Office by use of the MUSL Annuity Factor and communicated through the Party Lotteries prior to the Grand Prize Drawing. The “Advertised Grand Prize” is not a guaranteed prize amount and the actual Grand Prize amount may vary from the Advertised Grand Prize due to circumstances outlined in these Official Game Rules.

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

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

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

“**Drawing**” means the formal draw event for randomly selecting the winning indicia that determine the number of winners for each prize level of the Powerball game

and the Power Play multiplier. Winning indicia include the Winning Numbers for the Powerball games and the Power Play multiplier.

“Grand Prize” means the top prize in the Powerball Game.

“Lottery” means the New Jersey Lottery.

“Lottery Director” means the Executive Director of the New Jersey Lottery.

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

“MUSL Annuity Factor” means the annuity factor as determined by the MUSL Central Office through a method approved by the MUSL Finance and Audit Committee and which is used as described in these rules.

“MUSL Board” means the governing body of MUSL.

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

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

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

“Purchaser(s) or Player(s)” means a person who is at least eighteen (18) years of age who purchase an official Powerball ticket in accordance with these Official Game Rules and New Jersey Lottery laws and regulations.

“Quick Pick” means a game feature that allows the player to have the Gaming System randomly select the Powerball numbers for an individual play.

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

“Play or Bet” means the six (6) numbers, the first five (5) from a field of sixty-nine (69) numbers and one (1) from a field of twenty-six numbers that appear on a ticket

or communicated in a ticketless transaction and are to be played by a Player in the Powerball Game.

“Play/Bet Slip” means a card used in marking a player’s game plays and containing one or more selection panels.

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

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

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

“Set Prize” means all other prizes except the Grand Prize and except in instances outlined in these rules will be equal to the prize amount established by the MUSL Board for the prize level.

“Terminal” means a device authorized by the Lottery to interface with the Lottery’s central computer system for the purposes of issuing lottery tickets and entering, receiving and processing lottery transactions including making purchases (issuing tickets), validating tickets and transmitting reports.

“Ticketless Transaction” means plays sold through subscription, internet or non-standard terminals.

RULES

1. The lottery game in which the ticket purchaser selects, or has the computer randomly assign five (5) numbers from Field 1 which includes a range of consecutive numbers from one (1) to sixty-nine (69) and one (1) number from Field 2 which includes a range of consecutive numbers from one (1) to twenty-six (26), shall be called "POWERBALL" and all lottery tickets issued for this game shall be clearly identified with the name of the game and the date or dates of the drawing(s) for which they apply.
2. "POWERBALL" tickets will be sold every day during the normal business hours of the agents authorized to sell said tickets. The sale period for any given "POWERBALL" lottery date will terminate on the date of the drawing at 9:59 pm Eastern Time. Wagers may be placed for any of the first eight (8) drawings following the date and time the wager is placed.
3. Lottery tickets for "POWERBALL" will be available only from certain designated lottery agents who have been selected by the Lottery Director.
4. The price of a single wager shall be \$2.00, except that the Lottery Director may establish a discount for promotional purposes.
5. The Power Play option may be purchased for an additional \$1.00, per play, or multiples thereof in the case of a multi-draw wager, at the discretion of the Purchaser.
6. All agents paying out cash prizes up to \$599.00 shall receive a commission equal to 1.25% of the money paid out in prizes. The agent(s) selling a winning 5 out of 69 + 1 out of 26 "POWERBALL" ticket shall receive a \$30,000.00 bonus from the Lottery. The bonus shall be paid for each winning 5 out of 69 + 1 out of 26 ticket sold. The agent(s) selling a winning 5 out of 69 "POWERBALL" ticket with Power Play shall receive a \$10,000.00 bonus from the Lottery. The agent(s) selling a winning 5 out of 69 "POWERBALL" ticket shall receive a \$2,000.00 bonus from the Lottery. The bonus shall be paid for each winning 5 out of 69 ticket sold. Agent commission and bonuses may be offset, at the Lottery Director's discretion, against monies due from the agent to the Lottery. In such cases, if applicable, a net payment will be made to the agent. All data regarding

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- agents' sales and compensation shall be kept confidential by the Lottery, except for income tax reporting required by law. The agent-operated, gaming-system terminals will have the capacity to:
- a) Handle advance sales as may be implemented at the Lottery Director's discretion.
 - b) Issue "POWERBALL" tickets for \$2.00 and in multiples of \$2.00 up to \$10.00.
 - c) Issue "POWERBALL" Quick Pick tickets for \$2.00 and in multiples of \$2.00 up to \$10.00.
 - d) Validate all "POWERBALL" tickets for a period of one year from the date of drawing.
7. "POWERBALL" tickets may not be canceled.
 8. Purchasers may submit a manually completed "POWERBALL" Bet Slip to an Agent to have issued a "POWERBALL" ticket. Bet Slips shall be available at no cost to the Purchaser and shall have no pecuniary or prize value, and shall not constitute evidence of purchase or number selections. The use of mechanical, electronic, computer generated or any other non-manual method of marking Bet Slips is prohibited.
 9. Purchasers may orally convey their selections to a "POWERBALL" Agent to have issued a "POWERBALL" ticket. Such selections shall be manually entered into the gaming-system terminal by the Agent.
 10. In those Party Lottery states which offer player operated sales terminals (POSTs) or self-service terminals (SSTs), purchasers may utilize POSTs or SSTs for the purchase of "POWERBALL" tickets, and may make number selections by inserting a completed Bet Slip into the POST's or SST's optical mark reader, or by manually entering the selections on the POST or SST touch screen or selecting a Quick Pick/Easy Pick option.
 11. The type of bets and the amount of the prizes for "POWERBALL" shall be determined as follows:

The purchaser shall select or "Quick Pick" any five (5) numbers for Field 1, from a range of consecutive numbers of 1 through 69 and one (1) number from Field 2

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- from a range of consecutive numbers of 1 through 26. Bet selections of less than or more than six (6) numbers will be impermissible.
12. It shall be the sole responsibility of the Purchaser to verify the accuracy and condition of the data printed on the "POWERBALL" ticket at the time of purchase.
13. The purchaser must select, at the time of the sale, one of the following methods of prize payment:
- a) The player must select at the time of purchasing the ticket between either receiving the annuity installment prize or receiving a single cash payment. Once the cash value equivalency option is selected under this subparagraph, the selection is irrevocable, and the player may not change his or her mind; and
 - b) Whenever a player wins an annuity installment prize AND has not chosen in advance to select a single cash payment, when the option is available under the immediately preceding paragraphs, the player shall have another opportunity to select receiving a single cash payment, after the player:

Reviews the Lottery's disclosure of the methodology used to compute the single cash payment; and

signs an irrevocable prize payout election form stating that the player understands that he or she is under no obligation to elect to take the single cash payment and may freely continue to take the prize as an annuity; and

Makes the irrevocable selection between the annuity payments and a single cash payment within 60 days from the date the prize claim is made. If a single cash payment option is offered for an annuity prize claim, no payment for such a prize will be processed until the Claimant submits a form irrevocably selecting a payment option, or the 60-day selection period lapses, whichever shall first occur.

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14. The drawing to select the winning numbers shall be conducted at Universal Studios, Orlando, Florida at approximately 10:59pm Eastern Time.
“POWERBALL” drawings shall be conducted on Wednesday and Saturday at the designated time. However, the day, time or location of “POWERBALL” drawings may be modified as determined by the Directors and publicly announced by the Party Lotteries, and/or as stated in the “POWERBALL” On-Line Drawing Procedures. All “POWERBALL” drawings will be open to the public.
 15. “POWERBALL” drawings shall randomly generate, by mechanical means, “POWERBALL” winning numbers, pursuant to the controls and methods defined by the Party Lotteries.
 16. No Claimant may assert rights different from the rights acquired by the original Purchaser at the time of purchase.
 17. The Annuity Jackpot amount as determined by MUSL shall be the basis for determining the amount to be awarded for the winning “POWERBALL” tickets matching all five (5) of the five (5) “POWERBALL” numbers drawn from Field 1 and the one (1) “POWERBALL” winning number drawn from Field 2.
 - a.) Annuity Option Jackpots shall be paid in thirty (30) annual installments by the Party Lottery that sold the winning Official “POWERBALL” ticket. The initial payment shall be paid upon completion of internal validation procedures. The subsequent twenty-nine (29) graduated payments shall be paid annually to coincide with the month of the federal auction date at which the bonds were purchased. Such payments shall be made within seven (7) days of the anniversary of the actual auction date.
 - b.) Cash Option Jackpots shall be paid in a single payment upon completion of internal validation procedures. The Cash Option amount offered may be either the amount determined by multiplying the annuity prize amount by a discount value set by the “POWERBALL” Finance Committee prior to each drawing (the "Cash Equivalent Jackpot"), or the proceeds of the sale of bonds

purchased to fund the particular winner's share of the annuity Jackpot amount, at the discretion of the Lottery Director.

c.) In the event multiple "POWERBALL" tickets match all five (5) of the five (5) "POWERBALL" winning numbers for Field 1 and the one (1) "POWERBALL" winning number for Field 2, and the Annuity "POWERBALL" Jackpot divided by the number of winning game panels is less than \$1,000,000, each "POWERBALL" Jackpot winner shall be paid an amount equal to the Cash Equivalent Jackpot divided equally by the number of Jackpot winners. Each such Jackpot winner will be paid in a single cash payment.

d.) If in any "POWERBALL" drawing there are no "POWERBALL" tickets which qualify for the Jackpot category, the portion of the Prize Fund allocated to such Jackpot category shall remain in the Jackpot Category and be added to the amount allocated for the Jackpot category in the next consecutive "POWERBALL" drawing.

e) Second through Ninth Level Prizes are as indicated in the grid below:

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

f) All set prizes and Power Play prizes, including the Match 5+0 Second Tier Prize Category, may be reduced if claims exceed available prize fund. If the

total of the original “POWERBALL” set prizes awarded in a drawing exceeds the percentage of the prize pool allocated to the set prizes, beginning with the highest set prizes, may be paid on a Pari-Mutuel rather than fixed prize basis, provided, however, that in no event shall the Pari-Mutuel prize be greater than the fixed prize.

g) 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.

h) The following table sets forth the probability of winning and the probable distribution of winners in and among each prize category, based upon the total number of possible combinations in Powerball.

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

18. The Power Play feature is an extension of the Powerball game and is conducted in accordance with the Powerball games rules except where otherwise noted. The

feature will begin at a time announced by the Lottery and will continue until such time it is discontinued by the Lottery. The Power Play feature offers to the owners of a qualifying play a chance to increase the amount of any of the eight (8) lowest Set Prizes (prizes normally paying \$4 to \$1,000,000) won in a drawing. The Grand Prize jackpot is not a fixed Set Prize and will not be increased. A Qualifying Play is any single Powerball Play for which the Player pays an extra dollar for the Power Play option play and that is recorded in the Lottery's Central Computer System as a Qualifying Play.

A Qualifying Play which wins one of the seven lowest Set Prizes (excluding the Match 5+0 prize) will be multiplied by the number selected; either two, three, four, five or sometimes ten (2, 3, 4, 5 or sometimes 10), in a separate random Power Play Drawing announced during the Official Powerball Drawing. The ten (10x) multiplier will be available for drawings in which the initially Advertised Grand Prize (Annuity) Jackpot is one hundred fifty million dollars (\$150,000,000.00) or less. The announced Match 5+0 prize for players selecting the Power Play option shall be two million dollars (\$2,000,000.00) unless a higher limited promotional dollar is announced by the Lottery.

Except as provided in these rules, a qualifying play which wins one of the eight lowest lump sum fixed Set Prizes (excluding the Jackpot) shall be paid as follows:

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

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

The following table sets forth the probability of the various Power Play numbers being drawn during a single Powerball drawing. The Party Lotteries may elect to run limited promotions that may modify the multiplier features.

When the 10x multiplier is available:

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

When the 10x multiplier is not available:

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

19. Prize Pool:

- a) The expected Prize Pool for each drawing, inclusive of Power Play is approximately fifty percent (50%) of the money wagered by all players, plus the carryover amount, if any. The Prize Pools are generated from the prize fund.

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- b) For winning “POWERBALL” tickets 5 out of 69 + 1 out of 26 for which no claim or redemption is made within the specified claim period for each respective Party Lottery, the corresponding Jackpot monies shall be returned to the other Party Lotteries in accordance with procedures for the reconciliation of prize liability as may be agreed from time to time by the Directors of the Party Lotteries.
 - c) The Claim Limitation period for Powerball and Power Play feature Prizes sold in New Jersey is one (1) year from the date of the Drawing. All persons holding Winning Tickets must file for a Prize within one (1) year after the date of the Drawing. One (1) year means the anniversary of the date of the draw unless the draw date is February 29th in which case the anniversary is considered to be March 1st. All Winning Tickets submitted beyond the one-year period are not eligible for Prize awards. For Tickets claimed and scanned at an authorized New Jersey Lottery Retailer or Retailer within the Claim Limitation period and then sent to Lottery Headquarters for validation, said Ticket must be received at the headquarters’ office by the close of business on the thirtieth (30th) day after the expiration of the official claim period in order to be paid.
 - d) “POWERBALL” Grand/Jackpot shall be divided equally, on a pari-mutuel basis, among the winners.
 - e) Each “POWERBALL” Second through Ninth Prize shall be paid in one payment.
 - f) All payments shall be made to the winner, or his or her estate in accordance with N.J.S.A. 5:9-13.
 - g) The prize unit will be rounded down to the nearest dollar.
 - h) Each \$2.00 bet shall be considered a single unit equal to one share of the total pool.

20. Validations:

- a) In accordance with N.J.A.C. 17:20-7.12, the Claimant of a Winning Ticket for Powerball and the Power Play feature can take said Ticket to any Retailer for validation. If said Winning Ticket entitles the holder to a Prize of \$599.00 or less, that Prize may be paid by the Retailer upon presentation and validation of the Winning Ticket. If the Winning Ticket entitles the holder to a Prize that is more than \$599.00, then the Retailer shall validate the Winning Ticket, the Claimant and

Retailer shall fill out a claim form issued by the Retailer and mail the completed claim form, validated Ticket, and validation receipt to Lottery Headquarters in the claim form mailer envelope. Once a Winning Ticket and claim form are received at Lottery Headquarters and validated, it will be considered “claimed” and will not be returned to the winner, but will be retained by the Lottery and the payment will be processed. The Winner should retain a copy of the claim form prior to mailing to Lottery Headquarters. The Claimant should sign the back of the Ticket.

- b) Winner(s) of either the Jackpot Prize or a prize of \$1,000,000 or greater shall be required, at the discretion of the Lottery, to participate in a press conference. A press conference is an interview with television, radio and/or newspaper reporters and photographers. The press conference will be scheduled by the Lottery.
- c) The ticket must have been issued by an authorized New Jersey Lottery “POWERBALL” Agent or Retailer on official paper stock of the New Jersey Lottery.
- d) The ticket must have been recorded on the gaming-system computer prior to the drawing and the ticket data must match this computer record in every respect. In the event of a contradiction between information as printed on the ticket and as accepted by the New Jersey Lottery computer, the wager accepted by the New Jersey Lottery gaming-system computer shall be the valid wager.
- e) Tickets are void if:
 - i) Stolen, unissued, unreadable, mutilated, altered, reconstituted, counterfeit in whole or in part, miscut, multiply-printed, defective, tampered with, printed or produced in error, or blank or partially blank.
 - ii) Printing is irregular.
 - iii) Apparent or asserted symbols are not confirmed by validation number.
 - iv) The ticket fails any of the Lottery's other validation tests.
- f) The player or computer number selections, validation data and the drawing date(s) of an apparent winning ticket must appear on the official file of winning tickets, and a ticket with that exact data must not have been previously paid. The ticket must not be misregistered, defectively printed or produced in error to an extent that it cannot be processed by the New Jersey Lottery.

21. Liability of New Jersey Lottery

- a) The liability of the Lottery for tickets printed or produced in error or for defective tickets shall be limited to the replacement of the defective ticket with another unplayed ticket or reimbursement of the holder at the retail sale price of the ticket.
- b) All winners, tickets, and transactions are subject to New Jersey Lottery rules and regulations, and State Law. All prize awards are subject to claim procedures, validation tests, and other applicable requirements of the New Jersey Lottery.

22. All Prizes in excess of \$5,000.00 will be subject to federal withholding tax at the prevailing federal tax rate. All Prizes in excess of \$10,000.00 additionally will be subject New Jersey gross income tax withholding at the prevailing tax rate. In addition, all prizes may be subject to garnishment per N.J.S.A 5:9-13.5, 13.14 and 13.17 in accordance with the procedures in N.J.A.C. 17:42-1.1 et seq. and N.J.A.C. 17:43-1.1 et seq. Except as herein provided, all rules and regulations of the Lottery shall govern the operation of the "POWERBALL" lottery. All determinations of winners shall be made by the Lottery Director whose judgment shall be final.