

## Summary of Operator's Rules for Mega Millions

Players may select 5 unique numbers from a pool of 1 to 70 numbers, and also one number from a separate pool of 1 to 25 numbers. Alternatively, they may select the Quick Pick option, which will result in all numbers being selected for the player at random. To win the jackpot, all 6 drawn winning numbers must be matched in a single drawing.

The jackpots start at \$40 million USD and grow by a minimum of \$5 million USD per draw each time there is no first division winner and the jackpot rolls.

In total, there are 9 different ways to win a prize in each Mega Millions draw. Prizes start at \$2 for a division 9 win, and reach as high as the jackpot prize for a division 1 win:

Match		Match	Prize	Chances
5	+	1	Jackpot	1 in 302,575,350
5	+	0	\$1,000,000	1 in 12,607,306
4	+	1	\$10,000	1 in 931,001
4	+	0	\$500	1 in 38,792
3	+	1	\$200	1 in 14,547
3	+	0	\$10	1 in 606
2	+	1	\$10	1 in 693
1	+	1	\$4	1 in 89
0	+	1	\$2	1 in 37
Overall chances of winning any prize:				1 in 24

All prize amounts above are quoted in USD

### What if you win the jackpot?

**Annuity Option:** If a Mega Millions jackpot winner selects the annuity option, the first instalment of the prize is paid as a single immediate payment. This is then followed by 29 subsequent annual payments. Annual payments increase in size by 5% over the previous year's payment. This helps to offset periods of inflation and to safeguard winners' purchasing power and lifestyle over the annuity payment period.

The initial payment for a jackpot of \$100 million would be approximately \$1.5 million. Eventually, payments made at the end of the annuity payment period would reach approximately \$6.2 million. Each annuity payment would be double these amounts, if the jackpot was at \$200 million. If the jackpot was at \$50 million, these amounts would be half the amounts seen when the jackpot is \$100 million.

**Cash Option:** The option of a lump sum payment for a jackpot prize option rather than a long term annuity payment as described in the rules for the matching lottery will always result in a lump sum payment of a lesser value than the advertised annuity prize. This is because the lump sum paid will be the actual amount that the matching lottery would have to pay to buy the annuity plan that generates the annual payments. The purchase cost of the annuity (the lump sum) will always be lower than the total instalment paid out under the plan because part of those payouts are generated from interest or profits earned from the investment of that purchase price. The matching lotteries will generally not commit to the exact amount of the lump sum payout option for any particular draw because the purchase price of an annuity plan can constantly vary slightly due to the changes in interest rates etc. Over the last 12 months the percentage deduction for the cash-lump sum has been as low as 28% and as high as 52%. The prevailing interest rates are the biggest factor because the higher the rates the greater the value of the 30 year annuity plan. This deduction occurs before tax is calculated (in the US).

**Taxes to be paid:** There are federal and state US taxes payable on larger US lottery winnings. The federal tax rate that is paid as a non-resident winner is 30% on payouts above \$600 USD. The state tax can vary slightly as they are set locally (players please note that the state where in which we purchase our matched US lottery tickets taxes 8% on winnings of \$1500 USD and above). All US taxes are deducted from the prize amounts before payout by the state lottery office who then transfer those taxes to the relevant revenue authorities.

## Megaplier

In most US states, a feature called the 'Megaplier' is offered. The Megaplier multiplies non-jackpot prizes by 2, 3, 4 or 5 times. An additional cost is charged to play the Megaplier feature. On Tuesday and Friday nights (US time) previous to each Mega Millions draw, a Megaplier number is drawn. The Megaplier is drawn from a pool of balls. 5 balls are marked as 2x, 6 balls are marked with 3x, 3 balls are marked with 4x and one ball is marked with 5x. The non-jackpot prizes and associated odds are as follows for each Megaplier number:

Match		Match		Your prize if the Megaplier number is:			
				2 (1 in 3)	3 (1 in 2.5)	4 (1 in 5)	5 (1 in 15)
5	+	0		\$2,000,000	\$3,000,000	\$4,000,000	\$5,000,000
4	+	1		\$20,000	\$30,000	\$40,000	\$50,000
4	+	0		\$1,000	\$1,500	\$2,000	\$2,500
3	+	1		\$400	\$600	\$800	\$1,000
3	+	0		\$20	\$30	\$40	\$50
2	+	1		\$20	\$30	\$40	\$50
1	+	1		\$8	\$12	\$16	\$20
0	+	1		\$4	\$6	\$8	\$10

The minimum jackpot is currently \$40 Million USD but please always check the site for most up to date jackpots.