

MISSISSIPPI LOTTERY CORPORATION ADMINISTRATIVE REGULATIONS

Chapter 8 – Prize Validation and Payment

Rule 8.1 – Purpose

The purpose of these rules and regulations is to ensure all prize claims received are accounted for and processed, and that valid prizes are paid to winners in a timely manner, in accordance with the Rules and Regulations of the Mississippi Lottery Corporation (“MLC”). In the event of a conflict between the Alyce G. Clarke Mississippi Lottery Law, Senate Bill 2001 (First Extraordinary Session 2018) (“Act”), and these Prize Validation and Payment Rules and Regulations, the Act shall govern.

Rule 8.2 – Definitions

Capitalized terms appearing herein shall have the definition set forth in the Appendix A to the Policy Manual, unless otherwise defined herein.

Rule 8.3 – Policies

- A. All applicable policies contained in the Instant Game Rules, Drawing-Style Game Rules and Retailer Rules and Regulations pertaining to validation and payment of Tickets are, by reference, incorporated herein as an integral part of these policies.
- B. Prize levels for MLC Instant and Drawing-Style Games will be categorized in the three (3) basic categories, for purpose of applying these policies:
 - 1. Low-Tier Prizes – winning Tickets valued at less than \$20.00
 - 2. Mid-Tier Prizes – winning Tickets valued greater than or equal to \$20.00, and less than \$600.00
 - 3. High-Tier Prizes – winning Tickets valued at \$600.00 or more.

Rule 8.4 – Claim Process

- A. All winning Mississippi Lottery Tickets must be redeemed in the State of Mississippi.
- B. Retailers shall validate and pay Low-Tier Prizes, Mid-Tier Prizes and Free Ticket prizes. Retailers must pay valid Low-Tier Prizes with cash. Retailers may pay valid Mid-Tier Prizes with cash or a business check or money order.

- C. Acts or omissions of MLC Retailers shall not be considered attributable to the MLC.
- D. MLC Headquarters shall validate and pay all Low-Tier Prizes, Mid-Tier Prizes, High-Tier Prizes, Free Ticket prizes, Grand Prize Drawing prizes and annuity-type prizes. All High-Tier Prizes, Grand Prize Drawing prizes and annuity-type prizes must be claimed at MLC Headquarters.
- E. Claims that require manual processing will be restricted to payment at MLC Headquarters only.
- F. Any prize of \$100,000.00 or more must be claimed at MLC Headquarters by Claimant in person. All other prizes may be claimed at MLC Headquarters by Claimant in person or by mail.
- G. A Claimant who mails a winning Ticket shall bear the risk of delivery to the MLC.
- H. The time limits for claiming all prizes are as follows:
 - 1. Instant Ticket cash prizes and Free Ticket prizes must be claimed, and shall be eligible for payment no later than ninety (90) days after the announced End of Game Date. In order for an Instant Ticket winner to be eligible for any type of special drawing, the Ticket(s) must be claimed as designated in the rules of the particular game. Certain games may have specific requirements and time periods for claiming non-cash prizes.
 - 2. Drawing-Style Ticket prizes, including Powerball, Mega Millions and any other multistate lottery game approved for play by the MLC, must be claimed, and shall be eligible for payment no later than one hundred eighty (180) days after the official winning draw date for Drawing-Style Tickets. In order for a Drawing-Style Ticket winner to be eligible for any type of special drawing, the Ticket(s) must be claimed in accordance with the rules of the particular game. Certain games may have specific requirements and time periods for claiming non-cash prizes.
- I. A Claimant must present an original winning Ticket to a Retailer or to the MLC for validation and payment of all prizes. A Claimant must sign the back of their original winning ticket.
- J. The MLC reserves the right to require the Claimant of any winning Ticket to disclose the source of the Ticket.
- K. The MLC shall not disclose the identity of a Claimant without the Claimant's written permission.
- L. The MLC will pay a prize to only one (1) Claimant, which may be an individual, corporation, organization, partnership, trust or estate. If the person claiming the prize is a member of a winning group, they must attach Internal Revenue Service

Form 5754 at the time of claim. All members of the winning group will be subject to debt set-offs, as referenced in Rule 8.5(B).

- M. A Claimant must be at least twenty-one (21) years of age to claim a prize. No Ticket will be sold to persons under twenty-one (21) years of age; however, a person twenty-one (21) years of age or older may purchase a Ticket to give as a gift to any person of any age, including a Minor. In the event a Minor possesses a winning Ticket, an adult member of the Minor's family or a legal representative of the Minor, must serve as Claimant and claim the prize on behalf of the Minor.

Rule 8.5 – Validation and Payment

- A. For all High-Tier Prizes, Claimants must provide:
 - 1. Acceptable valid identification to verify the Claimant's name and current address (current state-issued driver's license, voter's registration identification card, state-issued identification card, military or federal-issued identification card, passport, or alien registration receipt card), and
 - 2. Documentation to verify the Claimant's Taxpayer Identification Number or Social Security Number ("TIN"), which must be a computer-generated document, such as a Social Security Card, pay stub or tax form.

If the Claimant does not have the required identification and/or TIN and such cannot be verified through some other independent source, the claim may not be processed until the required identification and TIN are provided.

- B. Each High-Tier Prize claim will be reviewed for debt set-off of past due amounts due the State of Mississippi or collectible by the State of Mississippi on behalf of individuals or organizations, in accordance with the Act.

If a debt exists, the debt will be deducted from the prize winnings after applicable federal income taxes are withheld. Any balance that remains following the withholding of federal income tax and the set-off of any debts shall be paid to Claimant.

- C. Prizes valued at \$5,000.00 or more require withholding of federal income tax at the prevailing rate, in accordance with the Internal Revenue Service Tax Code. Additionally, Claimants who do not furnish a correct TIN will be subject to backup withholding at the prevailing rate on winnings of \$600.00 to \$5,000.00. Non-resident alien individuals or foreign entities will have federal tax withheld at the prevailing rates on winnings of \$600.00 or more, regardless of the status of the TIN.

The MLC shall withhold state income tax at the prevailing rate for any prize subject to withholding in accordance with the Mississippi Department of Revenue Regulations.

- D. Any validated winning Ticket submitted to MLC Headquarters for payment shall be paid by check or electronic funds transfer, except for Free Ticket prizes and prizes of \$50.00 or less (which shall be paid in cash). Winning Tickets with a prize of a Free Ticket to be mailed outside the State of Mississippi shall be paid by check in the amount of the value of the Free Ticket.
- E. Any Ticket received by the MLC by mail for a High-Tier Prize must be accompanied with a completed Winner Claim Form and a photocopy of two (2) forms of acceptable identification in order to be processed.
- F. Any Ticket received by the MLC by mail for a prize valued less than \$600.00, for which return mailing instructions are not provided, will be processed using the player information on the Winner Claim Form (if provided), or with the return address information on the mailing envelope, in that order.

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- G. Submitted previously paid Tickets, as denoted on the MLC's official prize validation system file, will be researched by the MLC. If the MLC determines that a Retailer received credit for the validated Prize, the MLC will pay the Prize to the Claimant and record a debit adjustment in the amount of the Prize on the Retailer's next weekly invoice. MLC Retailer Services will notify the Retailer of the debit adjustment.
- H. Altered Tickets or Tickets printed in error will not be paid by the MLC. All altered Tickets or Tickets printed in error received shall be forwarded to the MLC's Director of Security for investigation and/or review.
- I. Tickets reported as stolen on the MLC's official game file (as denoted in the Instant Game Rules and Regulations) will not be honored by the MLC, unless otherwise authorized by the MLC's Director of Security or a corporate officer. Tickets appearing as omitted Tickets on the MLC's official game file will not be honored.
- J. The MLC's decision and judgment in respect to the determination of a winning Ticket or of any dispute arising from payment or awarding of prizes shall be final and binding upon all participants in the Lottery, unless otherwise provided by the Act, other applicable law or these Rules and Regulations.