WAC 315-38-090 Jackpot prize payments. (1) Prior to each drawing, the directors shall determine the estimated annuitized jackpot prize amount to be advertised. The jackpot prize amount shall be estimated and established based upon sales and the annuity factor established for the drawing. The advertised jackpot prize amount shall be the basis for determining the amount to be awarded for each Mega Millions panel matching all five of the five Mega Millions winning numbers drawn for Field 1 and the one Mega Millions winning number drawn for Field 2.

(2) If, in any Mega Millions drawing, there are no Mega Millions panels that qualify for the jackpot prize category, the portion of the prize fund allocated to such jackpot prize category shall remain in the jackpot prize category and be added to the amount allocated for the jackpot prize category in the next consecutive Mega Millions drawing.

(3) If the annuitized jackpot prize divided by the number of Mega Millions panels matching all five of the five Mega Millions winning numbers for Field 1 and the one Mega Millions winning number for Field 2, is equal to or greater than $1,000,000, the jackpot prize(s) will be paid under the annuity option unless a cash option was selected by the winner(s), as follows:

(a) **Cash option:** When a player claims a jackpot prize or a share of a jackpot prize, the player may elect to be paid a one-time single cash option payment as defined by WAC 315-38-020(3), provided:

(i) The player must elect this cash option within 60 days of the presentation of his or her winning ticket, by following the procedure required by the lottery;

(ii) If the federal tax code is interpreted by federal authorities to require that this cash option be exercised within 60 days of the drawing for the prize, then (a)(i) of this subsection will not apply and instead, the player must elect this cash option within 60 days of the date of the drawing for the prize;

(iii) The player's choice of payment method as designated by signing the appropriate lottery form is final and may not be changed by the player at a later date;

(iv) Cash option jackpot prizes shall be paid in a single payment in accordance with the internal validation procedures and settlement procedures pursuant to the multistate agreement and the Washington state lottery. At the director's discretion, an initial payment of a portion of the cash option prize may be paid to the winner at the time the prize is claimed.

(b) **Annuity:** A player who chooses not to elect the cash option or who does not elect the cash option within the 60-day limit will be paid in 30 graduated annual installment payments. The initial payment shall be paid in accordance with the internal validation procedures and settlement procedures established by the multistate agreement and the Washington state lottery. The subsequent 29 payments shall be paid annually to coincide with the month of the federal auction date at which the bonds were purchased to fund the annuity. All such payments shall be made within seven days of the anniversary of the actual auction date. This date of payment of the subsequent payments is subject to the discretion of the director of the Washington state lottery, acting in the best interest of the lottery.

(4) After the player has made the choice of payment method, the lottery will validate the claim, including a debt check pursuant to WAC 315-06-125, and pay the prize as appropriate.

(5) In the event multiple Mega Millions panels match all five of the five Mega Millions winning numbers for Field 1 and the one Mega Millions winning number for Field 2, and the annuitized Mega Millions jackpot prize divided by the number of winning game panels is less than $1,000,000, each Mega Millions jackpot prize winner shall be paid an amount equal to the "cash equivalent grand/jackpot prize," as defined by the multistate agreement, divided equally by the number of jackpot prize winners. Each such jackpot prize winner will be paid in a single cash payment.

[Statutory Authority: RCW 67.70.040 (1) and (3). WSR 25-03-131, s 315-38-090, filed 1/21/25, effective 4/5/25; WSR 19-16-015, § 315-38-090, filed 7/25/19, effective 8/25/19; WSR 18-17-086, § 315-38-090, filed 8/14/18, effective 9/14/18. Statutory Authority: Chapter 67.70 RCW. WSR 05-11-050, § 315-38-090, filed 5/13/05, effective 6/13/05. Statutory Authority: RCW 67.70.040. WSR 02-15-122, § 315-38-090, filed 7/19/02, effective 8/19/02.]