

**OREGON STATE LOTTERY  
REPORT ON RULEMAKING**

**DIVISION 94 – Win for Life - Parimutuel Division**

**August 18, 2016**

**Proposed Rule Action:**

Permanent Rulemaking to Amend:

**OAR 177-094-0080 Prizes**

**Recommended Motion:**

“I move that OAR 177-094-0080 be amended as proposed today, to be effective October 1, 2016, and that the temporary rule related thereto be repealed effective the same day.”

**Background:**

On July 14, 2016 the Director filed notices of temporary and permanent rulemaking to amend OAR 177-094-0080 to clarify the process when the Win for Life top prize is won by multiple ticket holders in a single drawing and the prize cannot be divided evenly among the winners.

Commission approval is needed to amend this rule as permanent. The proposed amendments are in keeping with the Lottery’s constitutional and statutory mandates.

**Public Comment:**

The Lottery conducted a public hearing for the purpose of taking comments, and the report of that hearing has been provided to the Commission. The Lottery received no public comments.

**Recommendation:**

The Director recommends the permanent amendment of the above rule as proposed.

Dated this 18<sup>th</sup> day of August, 2016.

/s/ Mark W. Hohlt  
Mark W. Hohlt, Rules & Policies Manager  
Oregon State Lottery

**OREGON STATE LOTTERY  
REPORT ON RULEMAKING HEARING**

**DIVISION 94 – Win for Life - Parimutuel Division**

**August 18, 2016**

**Hearing Date:** August 18, 2016  
2:00 p.m.

**Administrative Rules:**

Permanent Rulemaking to Amend:

**OAR 177-094-0080 Prizes**

**Hearing Location:** Oregon State Lottery Headquarters  
Salem, Oregon 97301

**Summary of Hearing:**

I convened the rulemaking hearing on the administrative rule referenced above, proposed for amendment by the Oregon Lottery Commission, on August 18, 2016 at 2:00 p.m. The hearing was tape recorded, and the tape is available for review.

Attending the hearing from the Oregon State Lottery was Mark W. Hohlt, Rules and Policies Manager.

No one else appeared at the hearing. The Lottery did not receive any written or oral comments on the proposed rule amendments.

I adjourned the hearing at 2:30 p.m., and the public comment period closed at that same time.

Dated this 18<sup>th</sup> day of August, 2016.

/s/ Mark W. Hohlt  
Mark W. Hohlt, Hearings Officer  
Oregon State Lottery

**OREGON STATE LOTTERY**

**Division 94 - Win for Life<sup>SM</sup>**

**Parimutuel Prize Division Project**

**October 1, 2016**

**OAR 177-094-0080**

**Prizes**

(1) **General:** Prizes for a winning ticket are determined by matching each horizontal set in the ticket's game play with the winning numbers from the relevant drawing.

<b>Prize Category</b>	<b>Match</b>	<b>Win</b>	<b>Odds</b>
Win for Life <sup>SM</sup>	Match all four numbers within the Win for Life <sup>SM</sup> prize category horizontal set of numbers to the winning numbers	\$1,000 per week for life	1:1,353,275
\$50,000	Match all four numbers within a \$50,000 prize category horizontal set of numbers to the winning numbers	\$50,000	1:676,638
\$20,000	Match all four numbers within a \$20,000 prize category horizontal set of numbers to the winning numbers	\$20,000	1:338,319
\$10,000	Match all four numbers within a \$10,000 prize category horizontal set of numbers to the winning numbers	\$10,000	1:169,159
Any Three Numbers	Match three numbers within a Win for Life <sup>SM</sup> , \$50,000, \$20,000, or \$10,000 prize category horizontal set of numbers to the winning numbers	\$25.00	1:309
Any Two Numbers	Match two numbers within a Win for Life <sup>SM</sup> , \$50,000, \$20,000, or \$10,000 prize category horizontal set of numbers to the winning numbers	\$2.00	1:6
No Numbers	No numbers in a game play match the winning numbers	\$3.00	1:26
	Any Prize		1:4.63

(2) **Prize Percentage Payout:** The number of prizes for the Win for Life<sup>SM</sup> game is not predetermined by the Lottery. The overall prize percentage payout for the Win for Life<sup>SM</sup> game is estimated at approximately 65% over time, but the actual prize payout may vary from day-to-

day and year-to-year due to factors that include, but are not limited to, the numbers of players participating each day and the number of winning wagers.

(3) **Disputes:** In the event of a dispute over the value of a prize or whether a ticket contains winning numbers or is a winning ticket, the Director's determination is controlling.

(4) **Multiple Prizes:**

(a) Subject to the validation requirements in OAR 177-094-0060, for each drawing, a player may receive multiple prizes on each ticket for which a ticket containing a winning game play is eligible.

(b) Only the top-prize associated with each set of numbers within the Win for Life<sup>SM</sup>, \$50,000, \$20,000, and \$10,000 prize categories shall be paid.

(5) **Claiming a Prize:** Prize payments must be claimed, and shall be made, in accordance with the provisions of OAR 177-070-0025. Notwithstanding OAR 177-070-0025(2) and subject to section (7) of this rule, a person who claims a Win for Life<sup>SM</sup> top prize of \$1,000 a week for life must present the winning ticket and completed claim form in person, at Lottery Headquarters in Salem, Oregon.

(6) **Payment of Prizes:** Upon validation of a winning ticket, a prize resulting from that winning ticket shall be paid to the prize winner in one lump-sum except for the Win for Life<sup>SM</sup> prize of \$1,000 per week for life.

(7) **Win for Life<sup>SM</sup> Top Prize:**

(a) **General:** The Win for Life<sup>SM</sup> top prize is \$1000 per week for life. Only one natural person may own a winning ticket for the Win for Life<sup>SM</sup> top prize of \$1,000 per week for life, and claim the Win for Life<sup>SM</sup> top prize of \$1,000 per week for life. Notwithstanding OAR 177-046-0110(6), a winning ticket of the Win for Life<sup>SM</sup> top prize cannot be owned jointly and the top prize will only be paid to the owner of the winning ticket.

(b) **Ownership:** Only one natural person may sign a Win for Life<sup>SM</sup> top prize of \$1000 per week for life winning ticket. A winning ticket of a Win for Life<sup>SM</sup> top prize is owned by the natural person who first signs the ticket and cannot be claimed by multiple owners. In the event a single winning ticket is signed by more than one natural person, the natural persons who signed the ticket must identify the natural person who first signed the ticket on a form provided by the Lottery.

(A) **No Relinquishment:** Notwithstanding OAR 177-046-0110(6)(c), ownership of a winning ticket of a Win for Life<sup>SM</sup> top prize of \$1000 per week for life cannot be relinquished.

(B) **Deceased Signatory:** If the owner of a winning ticket of a Win for Life<sup>SM</sup> top prize dies before the prize is claimed, the personal representative of the owner's

estate as appointed by a court, may claim the prize on behalf of the owner's estate. The maximum prize is \$260,000 as set forth in subsection (f) and will be paid by the Lottery to the owner's estate in one lump sum.

(c) **Payment Options:** The Win for Life<sup>SM</sup> top prize is \$1,000 per week for life and shall be paid, based upon a selection made by the prize winner, either as:

(A) **Weekly:** A prize payment of \$1000 each week beginning on the date prize payment is initiated upon validation of the winning ticket and thereafter on the same day each week, or if such day falls on a non-business day, then the next business day; or

(B) **Annually:** A payment of \$52,000 paid annually beginning on the date prize payment is initiated upon validation of the winning ticket and thereafter on the anniversary date of the first payment, or if such date falls on a non-business day, then the first business day following the anniversary date of the first payment.

(d) **Payments to Cease upon Winner's Death:** The Win for Life<sup>SM</sup> top prize of \$1,000 per week for life will be paid to the prize winner until such time as the prize winner dies at which time all further prize payments shall cease.

(e) **Five-Year Guaranteed Payment:** Notwithstanding subsection (d) of this section, if the prize winner dies within five years of the date of prize validation, the Lottery shall pay any remaining prize payments the prize winner would have received within the first five years after prize validation in one lump sum to the individual designated on a beneficiary designation form or to the prize winner's estate.

(f) **Maximum Five-Year Guaranteed Payment:** Notwithstanding subsections (d) and (e) of this section, for Win for Life<sup>SM</sup> tickets purchased on or after December 1, 2010, if the prize winner dies within five years of the date of prize validation, the Lottery shall pay any remaining prize payment the prize winner would have received within the first five years after prize validation in one lump sum, up to a maximum of \$260,000, to the individual designated on a beneficiary designation form or to the prize winner's estate.

(g) **Election of Payment Schedule:**

(A) **Limitations of Election:** At the time of the validation of a winning Win for Life<sup>SM</sup> ticket for the top prize of \$1000 per week for life, the prize winner of the top prize must elect either the weekly or annual prize payment schedule described in subsection (b) of this section. A prize winner who elects the annual payment schedule cannot subsequently convert to the weekly payment schedule. The election of the annual payment schedule is irrevocable. A prize winner who elected the weekly payment schedule may convert to the annual payment schedule at any time, and the Lottery will issue payment to the prize winner for the sum of the remaining weekly payments from that date to the next

anniversary date. Subsequent annual payments will be made on the anniversary date.

**(B) Election When Child Support Owed:** Notwithstanding subsection (A) of this subsection and subsection (g) of this section, when a search of delinquent child support obligors performed pursuant to ORS 461.715 and OAR 177-010-0090 Child Support Validation Check results in a positive match with the prize winner and the Division of Child Support of the Department of Justice (DOJ) or its successor initiates garnishment proceedings, the prize winner of the Win for Life<sup>SM</sup> top prize of \$1,000 per week for life has no payment options from which to select and will be placed on the annual payment schedule as described in subsection (7)(~~cb~~)(B) of this section. This placement on the annual payment schedule is irrevocable.

**(C) Conversion to Annual Payment Schedule upon Garnishment from Department of Justice:** Upon receipt of garnishment proceedings from DOJ directed to the Lottery for monies due or to become due to a prize winner receiving weekly payments under the Win for Life<sup>SM</sup> top prize of \$1000 per week for life, the Lottery will place that prize winner on the annual payment schedule as described in subsection (7)(~~cb~~)(B) of this section. Conversion of the prize winner's payment schedule from weekly to annual under this section of the rule is irrevocable. The Lottery shall make payments to such a prize winner as follows:

(i) **Payment Less Garnishment Amounts:** Within a reasonable time after the disposition of the garnishment proceeding, the Lottery shall pay the prize winner the sum of the prize winner's weekly payments from the date the Lottery placed the prize winner's payments on hold to the prize winner's next anniversary date less any amounts withheld pursuant to the garnishment proceedings and applicable tax laws.

(ii) **Subsequent Payments:** The Lottery shall make any subsequent annual payments, less any amounts withheld pursuant to the garnishment proceedings and applicable tax laws, on the anniversary date of the validation of the prize or on the next business day following if the anniversary date is a Saturday, Sunday, holiday or furlough closure day.

**(h) Limitation on Prize Amount for Multiple Top Prize Winning Tickets:** Where there are more than three winning tickets in a single Win for Life<sup>SM</sup> drawing, the maximum combined annual top prize payout for a single Win for Life<sup>SM</sup> drawing is \$156,000.

**(A) More Than Three Winning Tickets:** Notwithstanding the \$1,000 per week amount referred to in this rule, if there are more than three winning tickets for a Win for Life<sup>SM</sup> top prize of \$1,000 per week for life in a single drawing, the annual top prize payment per winning ticket shall be limited to \$156,000 divided by the number of winning tickets of the Win for Life<sup>SM</sup> top prize in that drawing.

(B) **Example:** For example, if there are four Win for Life<sup>SM</sup> top prize winning tickets in a single drawing, the annual top prize amount is calculated by dividing 4 into \$156,000 which equals \$39,000 as the annual prize payment amount per each winning ticket.

(C) **Payment:** Notwithstanding subsection (g) of this section, the prize winner will be paid on an annual prize payment schedule. This placement on the annual prize payment schedule is irrevocable.

(D) **Effect of Subsequent Events:** Subsequent events, including, but not limited to, the death of one of the prize winners, shall not alter the other prize winners' original pro rata share of the calculated prize amount.

**(E) Division of Prize: If there are multiple winners of the Win for Life<sup>SM</sup> top prize in a single drawing such that the prize cannot be divided equally among the winners to a whole cent, the prize payments may be rounded down so that the prize may be divided equally and paid to the nearest whole cent to each winner. Breakage from rounding the prize shall be treated as an unclaimed prize by the Lottery.**

**(F) Example: If there are seven Win for Life<sup>SM</sup> top prize winning tickets in a single drawing, the annual top prize amount paid to each winner is calculated by dividing 7 into \$156,000 which equals \$22,285.714285.... The Lottery shall round that amount down to \$22,285.71 which totals \$155,999.97 paid to the seven winners. The breakage of three cents shall then be treated as an unclaimed prize.**

(i) **Initiation of Payment:** Prize payment is initiated upon validation of a winning ticket.

(j) **Electronic Fund Transfer:** After the initial prize payment issued to a Win for Life<sup>SM</sup> top prize winner, the Lottery shall pay both weekly and annualized Win for Life<sup>SM</sup> prize installments via electronic funds transfer in the usual course of Lottery business.

(k) **Annual Affidavit Required:**

(A) **General:** Once each year and no earlier than thirty days prior to the anniversary of the original validation date, a prize winner of a Win for Life<sup>SM</sup> top prize of \$1,000 per week for life shall provide the Lottery with an affidavit on a form provided by the Lottery, signed by the prize winner, bearing the seal of a notary public, verifying the prize winner is living, containing the prize winner's current address, and a bank account number to which the prize shall be paid.

(B) **Termination of Prize:** If a prize winner of a Win for Life<sup>SM</sup> prize of \$1,000 per week for life does not provide the Lottery with the affidavit described in subsection (i)(A) of this section, then the Lottery shall not make further prize

payments to the prize winner. If the failure of a prize winner to provide the affidavit continues to the next anniversary of the validation date, the remainder of the prize shall be terminated.

(C) **Exception:** Notwithstanding paragraph (B) of this subsection, when it is reasonable and prudent to do so based on the facts underlying a prize winner's failure to provide an annual affidavit, the Director may authorize prize payment even though an affidavit has not been provided or is not timely provided. No interest shall be paid by the Lottery on the value of the prize during the period a prize remained unclaimed.

(l) **Death During a Payment Year:** If a prize winner of a Win for Life<sup>SM</sup> top prize of \$1,000 per week for life dies after five years have elapsed from the date of validation and if a sequence of weekly prize payments are paid over the course of the year in which the prize winner dies or if a single annual prize payment has been paid prospectively to the winning player for that year, the prize could be overpaid. It is the policy of the Lottery that the difference between the prize that should have been paid based on the date of the death of the prize winner relative to the anniversary date of validation of the prize and the prize amount that was actually paid during the year in which the prize winner died will not be subject to reimbursement by the Lottery. Any prize payment paid after the year in which the prize winner dies relative to the anniversary date of validation of the prize shall be subject to reimbursement to the Lottery.

(m) **Non-Assignability:** A Win for Life<sup>SM</sup> top prize of \$1,000 per week for life is based on the unknown duration of the life of the prize winner and is therefore a prize of unspecified value and uncertain periodicity. Consequently, a Win for Life<sup>SM</sup> top prize of \$1,000 per week for life is not a future periodic prize payment as described in ORS 461.253(1) and cannot be assigned, gifted, sold, or transferred in any manner from the winner to another person or entity except under the circumstances as described in subsection (d) of this rule.