

CHAPTER 1101
PRIZES

Chapter rescission date pursuant to Iowa Code section 17A.7: 3/26/30

701—1101.1(99G) Claiming prizes.

1101.1(1) A prize claim shall be entered in the name of a single individual or organization. A claim may be entered in the name of an organization only if the organization is a legal entity and possesses or has applied for a federal employer's identification number (FEIN) as issued by the Internal Revenue Service. Groups, family units, organizations, clubs, or other organizations that are not legal entities, do not possess a FEIN, or have not applied for a FEIN must designate one individual in whose name the claim will be entered.

1101.1(2) By submitting a claim, a player agrees that the state, the lottery commission, the lottery division, the department of revenue, and the officials, officers, and employees of each shall be discharged from all further liability upon payment of the prize.

1101.1(3) By submitting a claim, the player also agrees that the prizewinner's name may be used for publicity purposes by the lottery.

1101.1(4) An original ticket or share must be presented before payment of any prize will occur. No reproductions, facsimiles, or copies of any kind are allowed.

1101.1(5) The player must sign the original ticket or share prior to presenting the ticket to another party for the purpose of checking or validating the ticket. The lottery and retailers shall verify that there is a signature on any ticket submitted for checking or validation.

This rule is intended to implement Iowa Code sections 99G.9(2), 99G.21, and 99G.31.
[ARC 8917C, IAB 2/19/25, effective 3/26/25]

701—1101.2(99G) Claim period. A prize must be claimed within the time limit specifically designated in these rules or as specified in the game specific rules.

This rule is intended to implement Iowa Code sections 99G.9(2), 99G.21, and 99G.31.
[ARC 8917C, IAB 2/19/25, effective 3/26/25]

701—1101.3(99G) Invalid tickets not entitled to prize payment. If a ticket presented to the lottery division is invalid pursuant to the terms of these rules or the game specific rules, the ticket is not entitled to prize payment.

This rule is intended to implement Iowa Code sections 99G.9(2), 99G.21, and 99G.31.
[ARC 8917C, IAB 2/19/25, effective 3/26/25]

701—1101.4(99G) Ticket is a bearer instrument. A ticket is a bearer instrument until signed in the space designated on the ticket for signature if a signature space is provided. The person who signs the ticket is thereafter considered the owner of the ticket unless circumstances indicate the person is not the rightful owner of the ticket.

This rule is intended to implement Iowa Code sections 99G.9(2), 99G.21, and 99G.31.
[ARC 8917C, IAB 2/19/25, effective 3/26/25]

701—1101.5(99G) Assignment of prizes. Payments of prizes will be made as follows:

1101.5(1) If a prize is payable in installments, all future installments of the prize will be made to the person or legal entity that received the initial installment of the prize or to a person designated by the court to receive payment following the prizewinner's death unless otherwise assigned according to these rules.

1101.5(2) The right to control receipt of a lottery prize is substantially limited. See 26 U.S.C. §451 (2019) and Treas. Reg. §1.451-2(a) (1979). The right to receive payment of a lottery prize or a future installment of a lottery prize shall not be sold, assigned or otherwise transferred in any manner without an appropriate judicial order or statutory authorization. An appropriate judicial order is an order of a court of competent jurisdiction.

1101.5(3) In the event that a legal entity other than an individual is entitled to a lottery prize won jointly by more than one individual, the individuals originally entitled to share the prize cannot sell, assign or otherwise transfer their interest in the legal entity receiving prize payment or their right to receive future payments from the legal entity without an appropriate judicial order or statutory authorization. An appropriate judicial order is an order of a court of competent jurisdiction.

This rule is intended to implement Iowa Code sections 99G.9(2), 99G.21, and 99G.31.

[ARC 8917C, IAB 2/19/25, effective 3/26/25]

701—1101.6(99G) Prize payment to minors. If the person entitled to a prize is under the age of 18, the payment of the prize may be made by delivery of cash or a check payable to the order of the minor or to a parent or legal guardian of the minor, or other payment methods as determined by the department. Claim forms and tickets submitted by minors must be signed by a parent or legal guardian of the minor.

This rule is intended to implement Iowa Code sections 99G.9(2), 99G.21(2), 99G.30(3), and 99G.31.

[ARC 8917C, IAB 2/19/25, effective 3/26/25]

701—1101.7(99G) Time of prize payment. The lottery division will pay all prizes within a reasonable time after verifying a claim and determining a winner. The date of the first installment payment of any prize to be paid in installment payments is the date the claim is validated and processed unless these rules or applicable game specific rules specify a different date. Subsequent installment payments will be made approximately weekly, monthly, or annually, from the date the claim is processed and validated in accordance with the type of prize won and the rules applicable to the prize. The lottery division may, at any time, delay any prize payment to review a change in circumstances relative to the prize awarded, the payee, or the claim.

This rule is intended to implement Iowa Code sections 99G.9(2), 99G.21(2), and 99G.30.

[ARC 8917C, IAB 2/19/25, effective 3/26/25]

701—1101.8(99G) Prizes payable for the life of the winner. If any prize is payable for the life of the winner, only an individual may claim and receive the prize for life. If a group, corporation, or other organization is the winner, the life of the winner shall be deemed to be 20 years.

This rule is intended to implement Iowa Code sections 99G.9(2), 99G.21(2), and 99G.31.

[ARC 8917C, IAB 2/19/25, effective 3/26/25]

701—1101.9(99G) Prizes payable after death of winner. All prizes and portions of prizes that remain unpaid at the time of the prizewinner's death are payable to the court-appointed representative of the prizewinner's estate or to a single individual pursuant to the terms of a final order closing the estate.

The lottery division may withhold payment until it is satisfied that the proper payee has been identified, or it may petition the court to determine the proper payee. In making payment, the lottery division may rely on the presentation of a certified copy of the letters of appointment as an administrator, executor, or other personal representative for the prizewinner's estate or on a certified copy of the final order closing the estate. Payment to the representative of the estate of the deceased owner of any prize winnings or to another individual pursuant to a final order closing the estate absolves the state, the lottery commission, the lottery division, the department of revenue, and the officials, officers, and employees of each from all further liability for payment of prize winnings.

If the winner received an annuitized prize funded through the Multi-State Lottery Association (MUSL) or any other multijurisdictional lottery organization in which the Iowa lottery participates as a member, the MUSL board or other organization board, as may be appropriate, in its sole discretion, upon the petition of the estate of the prizewinner, may accelerate the payment of all of the remaining lottery proceeds to the estate of the prizewinner. If the winner received an annuitized prize funded solely through the sales from the Iowa lottery, the lottery division, in its sole discretion, upon the petition of the estate of the prizewinner, may accelerate the payment of all of the remaining lottery proceeds to the estate of the prizewinner. If such a determination is made, then securities or cash held for the deceased prizewinner, that represents the present value of that portion of the future lottery payments that are to be accelerated, will be distributed to the estate. Valuation of the securities and determination of the present value of the accelerated lottery payments are at the sole discretion of the entity granting the petition.

This rule is intended to implement Iowa Code sections 99G.9(2), 99G.21(2), and 99G.31.
[ARC 8917C, IAB 2/19/25, effective 3/26/25]

701—1101.10(99G) Disability of prizewinner. The lottery division may petition any court of competent jurisdiction for a determination of the rightful payee for the payment of any prize winnings that are or may become due a person under a disability. For this rule’s purposes, a “disability” includes but is not limited to mental deficiency, and physical or mental incapacity.

This rule is intended to implement Iowa Code sections 99G.9(2), 99G.21(2), and 99G.31.
[ARC 8917C, IAB 2/19/25, effective 3/26/25]

701—1101.11(99G) Stolen or lost tickets. The lottery division has no responsibility for paying prizes attributable to stolen or lost tickets.

This rule is intended to implement Iowa Code sections 99G.9(2), 99G.21(2), and 99G.31.
[ARC 8917C, IAB 2/19/25, effective 3/26/25]

701—1101.12(99G) Effect of game rules. In purchasing a ticket, the player agrees to comply with Iowa Code chapter 99G, these rules, the game specific rules, lottery division instructions and procedures, and the final decisions of the lottery division. The lottery division’s decisions and judgments in determining winning tickets, or any other dispute arising from the payment or awarding of prizes, is binding upon all participants in the lottery. If a dispute between the lottery division and a player occurs as to whether a ticket is a winning ticket and the prize is not paid, the lottery division may, solely at the lottery division’s option, replace the ticket with an unplayed ticket of equivalent price from any game or refund the price of the ticket. This is the player’s sole and exclusive remedy. A player who wishes to challenge a determination by the lottery division under this subrule may request a contested case proceeding as described in 701—Chapter 6.

This rule is intended to implement Iowa Code sections 99G.9(2), 99G.21(2), and 99G.31.
[ARC 8917C, IAB 2/19/25, effective 3/26/25]

701—1101.13(99G) Disputed prizes. If there is a dispute, or it appears that a dispute may occur relative to the payment of any prize, the lottery division may refrain from making payment of the prize pending a final determination by the lottery division or by a court of competent jurisdiction as to the proper payment of the prize.

This rule is intended to implement Iowa Code sections 99G.9(2), 99G.21(2), and 99G.31.
[ARC 8917C, IAB 2/19/25, effective 3/26/25]

701—1101.14(99G) Prize payment for prizes paid over a term exceeding ten years.

1101.14(1) A prizewinner who wins a prize that is payable over a term exceeding ten years may, not later than 60 days after the player became entitled to the prize, elect to have the prize paid in cash or by annuity consistent with 26 U.S.C. §451 (2019). If the payment election is not made by the prizewinner at the time of purchase or is not made within 60 days after the prizewinner becomes entitled to the prize, then the prize will be paid as an annuity prize. An election for an annuity payment made by a prizewinner before the ticket purchase or by system default or design may be changed to a cash payment at the election of the prizewinner until the expiration of 60 days after the prizewinner becomes entitled to the prize. The election to take the cash payment may be made at the time of the prize claim or within 60 days after the prizewinner becomes entitled to the prize, whichever is earlier.

An election made after the prizewinner becomes entitled to the prize is final and cannot be revoked, withdrawn or otherwise changed.

1101.14(2) In the event there is more than one prizewinner for a prize paid over a period exceeding ten years, the shares of the prize are determined by dividing the cash available in the prize pool equally among all the winners of the prize. Winners who elect a cash payment will be paid their share in a single cash payment. The annuitized option prize is determined by multiplying a winner’s share of the prize pool by the annuity factor used by the lottery division. The lottery division’s annuity factor is determined by the best price obtained through a competitive bid of qualified, preapproved brokers or insurance companies

made after it is determined that the prize is to be paid as an annuity prize or after the expiration of 60 days after the prizewinner becomes entitled to the prize.

1101.14(3) The lottery division is not responsible or liable for changes in the advertised or estimated annuity prize amount and the actual amount of the prize value purchased from the time the player becomes eligible for the prize and the time the prizewinner claims the prize.

This rule is intended to implement Iowa Code sections 99G.9(2), 99G.21(2), and 99G.31.

[ARC 8917C, IAB 2/19/25, effective 3/26/25]

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