

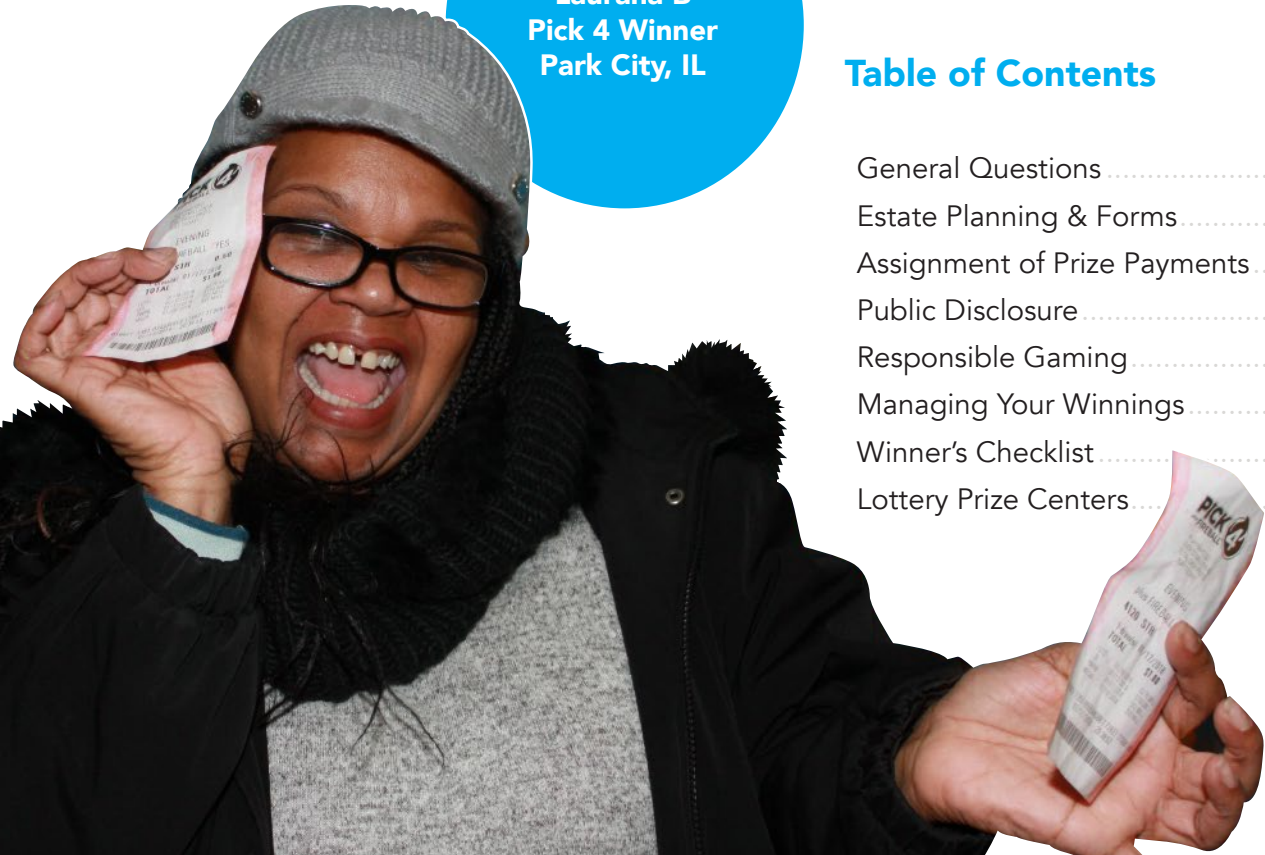


Winners' Handbook



Congratulations, you've won the lottery!

This handbook provides you with all the information you need to be smart about your winnings.



Laurana B
Pick 4 Winner
Park City, IL

Table of Contents

General Questions	3
Estate Planning & Forms	9
Assignment of Prize Payments	11
Public Disclosure	13
Responsible Gaming	15
Managing Your Winnings	17
Winner's Checklist	22
Lottery Prize Centers	24



General Questions

Congratulations, you've won the Lottery. What happens next?

Winning a large lottery prize can be a wonderful experience as you suddenly find yourself presented with new opportunities and the financial resources to live the life of your dreams.

Acquiring a large sum of money may give new meaning to how you live your life and manage your budget. Planning for the future by making informed responsible decisions will help you enjoy your prize winnings to the maximum.

This Winners' Handbook answers basic questions Lottery winners ask. Please take the time to read this handbook thoroughly. If you have further questions, you may contact the Lottery's Springfield office at (217) 524-5147. Most importantly, don't make sudden changes; take all the time you need prior to ticket expiration. Enjoy your winnings!

When do I receive my check?

- Claims up to \$25,000 will generally be paid at the claim center on the same day.

- Claims over \$25,000 will generally be paid within four to six weeks from the claim date and will be mailed to the address printed on the claim form.
- If you opted for direct deposit, your money will be available in approximately four to six weeks.

If your prize is paid in installments, the first payment will usually be made within four to six weeks, and you will be notified of your quarterly or annual payment date(s). For additional information contact the Lottery's Springfield Office at (217) 524-5147.

How does the Lottery's payment system work?

The Illinois Lottery pays Lotto, Mega Millions and Powerball grand prizes either in 30 annual payments or a lump sum payment equal to the cash value of the jackpot prize. Lotto, Mega Millions and Powerball winners have 60 days after the date of the drawing to choose the cash option or annual payments.

You may select a payment option by completing

the cash election form. The cash election form can be obtained from one of the Illinois Lottery's 5 prize payment centers or by calling the Springfield Office at (217) 524-5147.

The form must be received by the Lottery within 60 days after the date of the drawing.

Group winners of a jackpot prize must all choose the same payment option.

Failure to choose a payment option within the 60-day time period will automatically result in annuity payments.

- Annuity option: Advertised grand prize in annual or quarterly installments, less required withholding.
- Cash option: The current market value of the prize, paid in a single lump sum, less required withholding.

If you choose the cash option, this amount will be considerably less than the announced jackpot. For example, if the announced jackpot is \$12 million for Lotto:

- Approx. cash option: \$7,042,000

- Winner receives: \$5,003,341 after federal and state taxes

If you choose the annual payment option, based on a \$12 million Lotto jackpot:

- Winner receives: An initial payment of \$181,000 and 29 additional annual payments with a graduating 5% payment each year. State and federal taxes are withheld from each annual or quarterly payment.

Who receives the interest earned on this prize money?

If you are a winner who receives annuity payments, you receive the interest earned on the bonds purchased by the Lottery for the payment of the prize up to the prize amount.

For example, on a \$1 million instant game prize paid in 20 annual installments, paid over 19 years:

- An initial payment of \$50,000 is paid to the winner four to six weeks after the prize is claimed.
- Approximately \$730,000 cash is available

for the purchase of bonds worth \$950,000 at maturity (\$50,000 x 19 payments).

- The Illinois Lottery purchases bonds with the available cash.
- A portion of the principal plus the interest accrued over the next 19 years makes up the annual payments to the winner.
- After the 20th payment, the full prize amount of \$1 million will have been paid.

Will the Lottery pay individual prizes to group winners?

This depends on the prize amount. If your prize is \$600 or less, only one name can appear on the back of the winning ticket and only one person can be paid the prize.

If your prize is \$601 to \$999,999, your group can claim a prize if the following procedures are followed:

- The claim form is filled out in one person's name.
- The claim form is filed with IRS Form 5754

(available from the Lottery Claim Center, the Illinois Department of Revenue or the Illinois Lottery website).

- One claim form will be completed by the group representative, but a winner questionnaire will be required for each person receiving a payment.
- Each person listed on the IRS Form 5754 will receive a check for his or her portion of the winnings, less applicable withholdings.

If your prize is \$1 million or more, your group may be entitled to form a partnership and secure a federal identification number.

- If members of your partnership want individual checks issued, they must state their preference in the formal partnership agreement and must attach the partnership agreement to the claim form.
- Include the names and Social Security numbers of members.

If your group does not form a partnership, a group agreement must be submitted along with

the claim form, winner questionnaires and the IRS Form 5754.

What will I pay in taxes?

The Illinois Lottery is required by law to withhold:

- Federal taxes from prizes of \$5,000 or more.
- Illinois State taxes from prizes of \$1,000 or more.
- Additional taxes on all prizes over \$600 from U.S. citizens and resident aliens who do not provide a Social Security number.

Claimants who are non-resident aliens or do not mark the citizenship status on the claim form are subject to federal withholding at the non-resident alien rate from all prizes over \$600.

Winners paid in annual installments automatically have taxes withheld from each annual payment.

The current withholding rate for Illinois income tax is 4.95 percent.

The Lottery is currently required to withhold federal taxes of 24 percent for U.S. citizens and

resident aliens.

Generally, non-resident aliens or persons not indicating their citizenship status are subject to withholding at 30 percent federal tax.

State and Federal tax rates are subject to change.

Tax withholding amounts are not generally designed to meet a winner's total tax liability. Contact a professional tax adviser to help you determine your total tax liability.

Does a player group divide the tax liability?

Unless the number of group members exceeds our system capabilities, or the prize is \$600 or less, the members of a player group may be paid individually, and the tax liability divided among the members, provided:

- the claim form is filled out in one member's name, and is accompanied by an IRS Form 5754 setting forth the names, addresses, Social Security numbers and prize shares of all persons entitled to a share of the prize.

Using the information provided on the IRS Form

5754, the Illinois Lottery will issue an IRS W-2G Form to each individual group member who receives a portion of the prize up to and including \$25,000.

For groups claiming prizes greater than \$25,000, payments and IRS W-2G Forms will be issued by the Illinois Comptroller's Office.

Contact a professional tax advisor with additional tax liability questions.

What do I need from the Lottery in order to file my tax return?

An IRS W-2G Form will either be attached to the check you receive from a claim center, or be mailed to you by the end of January of the New Year from the Illinois Comptroller's Office.

You should also keep a copy for your records.

Please remember to notify the Lottery's Claims Department if you have changed your address.

Is it possible to receive more than one annual payment in the same tax year?

If you claim a large prize paid in installments in late December, you may receive the first and second payments in the same tax year because your first payment may not be issued until January.

Can A Lien Be Filed Against My Winnings?

Judgment liens, tax levies, or offsets may be filed against your prize winnings by creditors or government agencies for payment of your debts. Any such offsets will be deducted from your next payment and the remainder, if any, will be mailed to you. The lien, levy, or offset may continue from year to year until the debt is paid in full.

A photograph of an older man and woman smiling and eating ice cream cones. The man is on the left, wearing glasses and a dark shirt, holding a chocolate ice cream cone. The woman is on the right, wearing a light-colored jacket, holding a vanilla ice cream cone. The image has a green tint and a blue horizontal bar at the bottom.

Estate Planning & Forms

What happens if I die before I receive all the payments?

In the event of your death, any guaranteed remaining prize obligation will be paid to your estate or successor trustee (if proper documentation is on file with the Lottery).

Depending upon the type of prize you won, your estate or trust may receive:

- ongoing installment payments until the prize commitment has been fulfilled, or
- your estate or trust may be entitled to receive the current cash value of the prize in a lump sum.

Your estate or trust representative should contact the Lottery's Claims Department immediately to determine available options.

How can I designate a beneficiary for my remaining prize payments?

The Illinois Lottery Law authorizes the Illinois Lottery to pay a deceased winner's estate or, under certain circumstances, successor trustee.

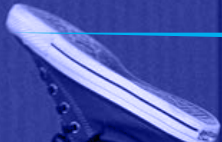
A court order will be required in order to pay your heirs or beneficiaries directly unless you have previously filed a trust document with the Illinois Lottery.

Can the Lottery assign prize payments to a trust established by a winner?

The Illinois Lottery Law authorizes winners to establish revocable living trusts to receive prize payments. The trust agreement, along with a notarized letter of direction from the winner, must be on file with the Lottery's Claims Department, in order for the Lottery to recognize the trust and pay the successor trustee upon the winner's death.



Assignment of Prize Payments





Yessica P
Treasure Hunt Winner
Rockford, IL

Can I assign my prize or sell it to another party?

Winners of prizes paid in quarterly or annual installments may assign future prize payments to a third party. If you are planning to assign your prize payments there are specific regulations that affect this process.

Please see 20 ILCS 1605/13.1.

Companies may contact you offering to purchase some or all of your remaining installment prize payments. The Illinois Lottery does not endorse any of these companies or disclose personal information about prize winners other than the winner's name and their city of residence at the time the prize was claimed. The Lottery encourages winners to seek independent financial and legal advice before making any assignment decision.

A crowd of people is shown from the chest up, holding up lit sparklers. The background is a bright, warm yellow, suggesting a sunset or sunrise. The sparklers are lit, creating a shimmering effect. The text "Public Disclosure" is overlaid in white, bold, sans-serif font in the center-right area of the image. A solid blue horizontal bar is located at the bottom of the image.

Public Disclosure

What personal information is subject to public disclosure?

As a state agency, the Illinois Lottery is subject to public disclosure laws that allow access to certain governmental records:

- Your name
- City of residence
- The name and location of the retailer who sold the winning ticket
- The date you won
- The amount of your winnings, including your gross and net installment payments, are matters of public record and are subject to disclosure

The Lottery may release additional information if legally mandated or upon your request.

Will the Illinois Lottery publicly release my name and city of residence absent a request under applicable law?

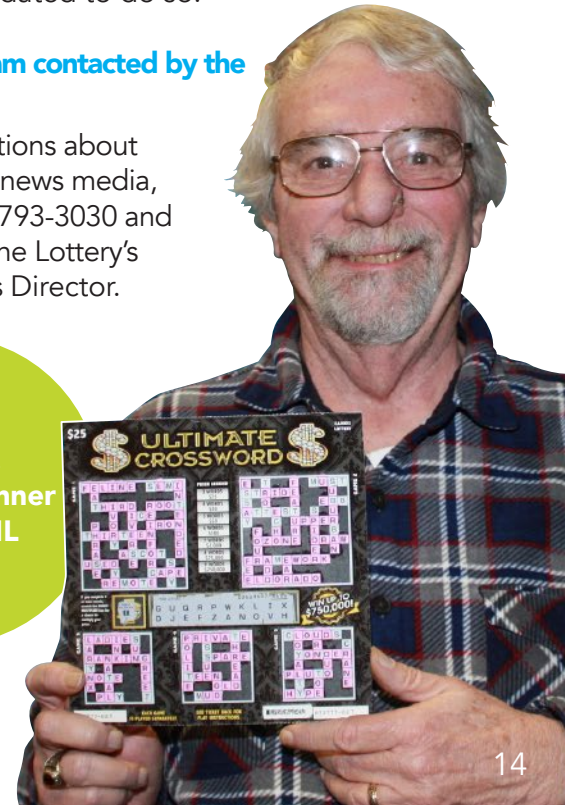
This depends on the prize amount. If your prize is \$250,000 or more, at the time of claiming the prize, you may submit a written request on the

Illinois Lottery Claim form to keep your name and city of residence confidential from public disclosure. However, the Illinois Lottery may release your name and city of residence pursuant to an Illinois Freedom of Information Act request or if legally mandated to do so.

What do I do if I am contacted by the news media?


If you have questions about dealing with the news media, please call (312) 793-3030 and ask to speak to the Lottery's Communications Director.

Bruce C
\$75,000 Winner
DeKalb, IL



A man with a beard, wearing a white t-shirt, a dark plaid jacket, and dark pants, is running towards the right. He is surrounded by a shower of colorful confetti (purple, green, and yellow) falling from above. The background is a solid blue color. The text "Responsible Gaming" is overlaid on the right side of the image.

Responsible Gaming



The Illinois Lottery is committed to raising funds in a sustainable and responsible way. This means placing responsible play at the heart of all operations and ensuring the highest standards of player protection.

Applying responsible gaming and consumer protection best practices, the Lottery operates under procedures that emphasize our core values of integrity.

Promoting Responsible Play

The Illinois Lottery works hard to educate players on the importance of responsible play – from excluding minors to setting spend limits, to communicating the odds of a game. Illinois Lottery employees and retailers are involved in helping to promote responsible play.

Problem Gambling

Understanding the issues of problem gambling is also an important aspect of being a responsible operator. Illinois Lottery has strong partnerships with a number of organizations

which provide information, help, and support on problem gambling. These services can be accessed through the 1-800-GAMBLER helpline advertised on Lottery tickets and marketing material.

For more information on how the Illinois Lottery promotes Responsible Play, please visit: www.illinoislottery.com

What has Illinois done to address problem gambling?

The Illinois Lottery has proudly partnered with treatment providers and other groups to prevent excessive and underage play, and provide assistance to individuals and their families with gambling-related problems.

A photograph of three young women celebrating joyfully. They are surrounded by falling confetti. The woman in the center has her mouth wide open in a shout or laugh, while the women on either side are smiling broadly. The entire image has a strong yellow-green color cast.

Managing Your Winnings

What should I do with the prize money while I'm seeking professional financial advice?

The Illinois Lottery strongly encourages you to seek financial advice BEFORE claiming your prize.

How do I find reputable advisers?

Banks and other financial institutions offer a variety of options. To receive maximum benefit from your Lottery prize, you should check the credentials of prospective advisers and interview them to determine if their financial approach fits with your needs and lifestyle. There are professional organizations listed online that can provide you with the names of advisers, including accountants, attorneys, and investment counselors. Remember that you can change financial advisors and hire more than one at a time. Although the Lottery does not endorse any advisers or any advisory group, lists of advisors can be obtained from the following sources:

- Better Business Bureau, www.bbb.org
- The Illinois State Bar Association or your

local County Bar Association, www.isba.org

- The Illinois Certified Public Accountants Society, www.icpas.org
- National Association of Personal Financial Advisers (847) 483-5400, www.napfa.org
- The Financial Planning Association (800) 322-4237, www.fpanet.org

While some past winners prefer to research their own financial options, others report that building a team of advisers who work together and are experienced in working with large sums of money has provided them with sound legal and financial advice.

The Boston Globe's personal finance columnist Charles A. Jaffe offers important tips:

The single most important decision you make with your newfound wealth will not be how to spend or invest it.

It will be who you hire to help manage it.

Sudden money makes you an instant candidate to hire a financial adviser. That being the case,

there are several factors to keep in mind as you choose an adviser:

- Interview three to five before making a decision, with at least one candidate having “no strings attached.”
- The reasons you hire an adviser; to protect and grow your money, make sure that you have properly insured yourself, planned for your estate and more.

That means that the first person you talk to will sound like they are a tailor-made perfect fit for your needs.

- Make sure you have a basis for comparison, that you know not just about the services you will get for your money, but about how comfortable you are with the adviser personally. If you interview top advisers, what will make one stand out is not so much expertise—all good advisers have it— but your comfort level and confidence in them.
- You may get referrals from friends and relatives, but you will want to have at least one candidate who you have never met

before. This makes sure that your feelings for an adviser are not colored by the fact that they are your relative or your best friend’s financial adviser.

- Look for an adviser who deals regularly with this kind of money, and preferably with clients who suddenly come into money.

You don’t want to be someone’s guinea pig, their first shot at investing large sums or estate planning.

Consider building a financial team.

Remember that you are new at this, and your winnings do not guarantee that you will make great decisions. Building a team—and the members should not all work for one firm— allows you to have multiple advisers. While the financial planner might handle the strategy, the accountant can make sure everything is proper from a tax standpoint. The best part of a team approach is that you can bounce around ideas, giving you a better chance to determine if anyone is steering you wrong.

Questions to consider when interviewing each candidate.

- How does your compensation work?
- How the adviser will be paid— commission, flat- fee or some combination— and precisely how much money they will make in dollars if they work with you and implement a financial plan.
- What services will I get for my money?
- May I see a sample plan? Before hiring an adviser, make sure you see what you actually get for your money.
- Will anyone else be working with me, or will I always deal with you?
- How do we terminate this relationship if I am not satisfied?
- What is your basic approach to financial planning?
- What is your educational background and what professional designations do you hold?
- How much education must you undergo to keep those credentials, and how will that expertise benefit me?

You are hiring help, not surrendering control.

You should be involved in all key decisions, and your desires—even if they disagree with the strategy of the adviser—should be carried out.

How should I handle requests for donations?

Many winners have shared their winnings with their favorite charities. You may receive requests for donations from many sources, including friends and family, or individuals from organizations or charities that are unfamiliar to you. Take time to investigate the legitimacy of any organization or charity before you make a donation. One way to do this is to request a financial statement. To ensure the charity is authorized by the state, you may check their 501(c) (3) status.

You Should Also Consider:

- Changing your phone number or using a phone answering machine or answering service to screen your calls.
- Getting a post office box. A post office box

A group of people, including a man and a woman, are smiling and looking up at a glowing sky lantern they are holding together. The scene is set at night with city lights in the background. The entire image has a green color cast. A horizontal orange bar is at the top.

Winner's Checklist

What if I change my address?

Be sure to notify the Lottery's Claims Department in writing immediately with any changes to your name, address or telephone number to ensure timely delivery of your annual payment and IRS W-2 G Form.

Who do I call if I have any questions?

The Lottery does not offer financial or legal advice. For general questions about your Lottery winnings or information about the required forms to facilitate your planning, please contact Player Assistance at (800) 252-1775 or support@illinoislottery.com

Rossy T
Fabulous Fortune Winner
Chicago, IL





Lottery Prize Centers

Chicago

James R. Thompson Center
100 W. Randolph, 7th Floor
Chicago, Illinois 60601
(312) 793-2385
8:30am—4:30pm

Des Plaines

9511 Harrison St
Des Plaines, Illinois 60016
(847) 294-4851
8:30am—4:30pm

Rockford

200 S Wyman
Rockford, Illinois 61101
(815) 987-7018
8:30am—4:30pm

Fairview Heights

15 Executive Drive
Fairview Heights, Illinois 62208
(618) 624-8670
8:30am—4:30pm

Springfield – Lottery Headquarters

Willard Ice Building (Dept. Of Revenue)
101 West Jefferson Street MC 3-915
Springfield, Illinois 62702
(217) 524-5147
8:30am—4:30pm

Player Hotline

(800) 252-1775