

# BOARD POLICY



## RETAILER COMPENSATION PLAN

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**Approved:** NMLA Board of Directors

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**NOTHING CONTAINED IN THESE GUIDELINES IS INTENDED TO  
CREATE A CONTRACT OF EMPLOYMENT, EXPRESS OR IMPLIED,  
OR TO ALTER THE AT-WILL NATURE OF EMPLOYMENT**

# RETAILER COMPENSATION PLAN

## Purpose

This policy establishes guidelines for providing compensation and incentive programs to active retailers who sell and validate New Mexico Lottery Authority (NMLA) tickets.

## General Use and Applicability

The provisions of this policy shall be applicable to all NMLA retailers.

## Definitions

“New Mexico Lottery Act”, “Lottery Act”, or “the Act” means the New Mexico Lottery Act, N.M.S.A., 1978, Sections 6-24-1 through 6-24-34, as the same or as may be amended from time to time.

“New Mexico Lottery Authority”, “New Mexico Lottery”, “NMLA”, “Lottery”, or “Authority” means the New Mexico Lottery Authority, a public body, politic and corporate, separate and apart from the State of New Mexico, constituting a governmental instrumentality, established and operated pursuant to the New Mexico Lottery Act.

## Policy

The NMLA presently offers the following compensation and incentive programs to all contracted retailers.

- 6% sales commission on all games, unless reduced by the Chief Executive Officer (CEO) in accordance with the express provisions of this policy. The CEO may use the 1% reduction, if implemented, to enhance commissions paid to retailers based on sales incentives adopted by the CEO.
- 1% cashing commission for prizes redeemed up to \$600
- Optional Retailer Bonus Sales Program
- Optional Retailer Clerk Incentive Program
- \$50,000 Bonus Pool for selling a winning Powerball Jackpot/Grand Prize ticket. (If there are multiple winning Powerball Jackpot/Grand Prize tickets sold for a drawing, the \$50,000 will be shared equally among the retailers who sold the winning Jackpot/Grand Prize tickets in New Mexico.)
- \$2,500 Bonus for each retailer selling a winning Powerball ticket with a prize value of \$1,000,000 and above, not including the Jackpot/Grand Prize.
- \$50,000 Bonus Pool for selling a winning Mega Millions Jackpot/Grand Prize ticket. (If there are multiple winning Mega Millions Jackpot/Grand Prize tickets sold for a drawing, the \$50,000 will be shared equally among the retailers who sold the winning Jackpot/Grand Prize tickets in New Mexico.)

- \$2,500 Bonus for each retailer selling a winning Mega Millions ticket with a prize value of \$1,000,000 and above, not including the Jackpot/Grand Prize.
- \$10,000 Bonus Pool for selling a winning Lotto America Jackpot/Grand Prize ticket. (If there are multiple winning Lotto America Jackpot/Grand Prize tickets sold for a drawing, the \$10,000 will be shared equally among the retailers who sold the winning Jackpot/Grand Prize tickets in New Mexico.)
- \$1,000 Bonus for selling a winning Roadrunner Cash Jackpot Prize ticket (match 5 of 5) when the Jackpot Prize is greater than or equal to \$100,000. (If there are multiple winning Roadrunner Cash Jackpot Prize tickets sold for a drawing, each retailer selling a winning Jackpot Prize ticket will be eligible for a \$1,000 bonus.)
- The CEO may negotiate a reduced sales commission rate with a retailer when it is advantageous for the Lottery and/or a retailer.

(If a retailer owes money to the NMLA and has sold a winning ticket eligible for a bonus, the NMLA will use the bonus money to offset any debt.)

The NMLA Board authorizes the CEO to reduce the retailer sales commission on games by up to one percent (1%), if the CEO, in his or her sole discretion, deems it is necessary to meet the annual approved budget or to meet statutory transfer requirements to the Lottery Tuition Fund. Reductions of more than one percent (1%) must be approved by the Board. The NMLA shall provide each affected retailer with notice in writing of any reduction of the retailer sales commission prior to the effective date of said reduction. The CEO shall inform the Board of any such reduction in retail commission at the next regularly scheduled Board meeting, unless approved by the Board.