

## 2.5% Of What? A Brief Guide To Zakaah

Call To Islam Research

### What Is Zakaah?

Zakaah is a form of charity which has to be paid on certain amounts of wealth. It is Waajib (a compulsory duty) on all Muslims who fulfil the conditions necessary for its payment. Zakaah is one of the five pillars of Islam.

### Do I Have To Pay Zakaah?

It depends. All Muslims have to pay Zakaah, unless you are exempt.

### Who Is Exempt?

There are two conditions for Zakaah to be obligatory, if you meet them, you must pay Zakaah. The two conditions are called Nisab and Hawl. If you do not meet both of these conditions, then you are exempt from paying Zakaah.

### What Is Nisab?

The nisab is the threshold value above which Zakaah is due. Or to put it another way, nisab is the minimum amount of wealth that one must possess before the Zakaah becomes obligatory. So if the value of your gold, silver and cash added together is more than a certain amount (called the nisab), you must pay Zakaah.

### How Much Is The Nisab?

The nisab of gold is 85 grams, the nisab of silver is 595 grams and the nisab on currency is the equivalent of 85 grams of gold. So you need to work out what gold you have, what silver you have, and what cash you keep.

The nisab (value of 85 grams of gold) on 3 December 2002 was £600.

### What Is Hawl?

The hawl is a period of time. It is one year of the Islamic calendar (i.e. 12 lunar months). Do not use the calendar of the Christians, as their (solar) year is longer.

So if you possess wealth above the nisab, for a period of one lunar year, then you are required to pay Zakaah at the rate of 2.5%.

If your wealth is below the nisab, then no Zakaah is payable.

If you possess wealth above the nisab, but for less than one lunar year, then no Zakaah is payable.

### How Much Do I Have To Pay?

Two and a half percent must be paid on the total value of your gold, silver and cash providing the two conditions are met. This is the same as £25 for every £1,000 of your wealth (or £2.50 for every £100).

## **Who Do I Give Zakaah To?**

There are eight categories of people who are entitled to Zakaah. These categories are mentioned in the Qur'an.

- The Fuqara
- The Masakin
- The People who collect the Zakaah funds
- To attract the hearts of those who are inclined to Islam
- To free the captive
- Those in debt (see question on debt below)
- For the Cause of Allah (subhanahu wa ta'ala)
- The stranded traveller.

## **Can I Give Zakaah To The Masjid?**

No, the masjid is not one of the above eight categories.

## **Do I Pay Zakaah On Jewellery?**

Yes, it is obligatory to pay Zakaah on jewellery. Amr ibn Shu'ayb reported that:

"A woman accompanied by her daughter came to Allah's Messenger (sallallahu alaihi wa salam) wearing two heavy gold bangles on her arms. He asked her: 'Do you pay Zakaah on them?' She replied: 'No'. He then said: 'Would you like Allaah to put two bangles of fire on your arms?'

There is no Zakaah on precious gems and stones.

## **What Qualifies As Gold, Silver And Cash?**

You need to include your jewellery, ornaments and cash savings (including shares).

## **Do I Have To Pay Zakaah On A Second Property?**

No, Zakaah is not payable on the value of the property.

## **Do I Have To Pay Zakaah On Rent Received?**

Zakaah is payable on your savings, some of which may be from the rent. Remember, if the total value of your savings exceeds the nisab for a twelve month period, then Zakaah is due.

## **Do I Pay Zakaah On Trade Goods?**

Yes, if you own stock, Zakaah is payable, provided the two conditions are met. (i.e. possession of wealth over the nisab for a period of one year)

## **What If I Have Debts?**

If you have debts, you still have to pay Zakaah if the total value of your savings (and gold and silver) reaches the nisab, and it is in your possession for one year. You cannot offset debts against your cash, gold and silver. For example, Abdullah has borrowed £5000 which he spent on a car. In addition, he has £1000

in gold, £1000 in silver, and £1000 in cash savings. He has to pay Zakaah on his gold, silver and cash even though he is in debt.

## **What If I Have Money In My Possession Which Doesn't Belong To Me?**

If you are looking after gold, silver or cash for someone else, this does not count towards your own wealth. You should remind them to pay Zakaah on it.

## **What If I Have Lent Money To Someone Else?**

You have to pay Zakaah on money that you have lent (provided the two conditions are met).

## **What If I Claim Benefits?**

This doesn't matter, you still have to pay Zakaah provided the two conditions are met.

## **What If I Send Money To Relatives Abroad?**

For this to qualify as Zakaah, you must have *intended* that this money was sent as Zakaah, and that your relatives who received this money, fall into one of the eight categories of Zakaah.

## **What If I Have Never Paid Zakaah?**

Zakaah is an obligation upon every Muslim who meets the conditions. Non payment of Zakaah is a Major Sin. You should repent to Allah for not paying, and calculate what you should have paid and pay it.

## **Can I Delay Paying The Zakaah?**

No, you should pay the zakaah as the one year period is over.

## **I Have The Money In My Account, But I Need It To Pay My Expenditure?**

As long as your savings exceed the nisab for a twelve month period, you must pay the Zakaah.

## **I Am Saving For My Son's Wedding**

You still have to pay Zakaah if the total value of your savings (and gold and silver) reaches the nisab, and is in your possession for one year, irrespective of what you are saving for. This applies even if you are saving up for Hajj.

Examples of calculating Zakaah

1. Abdullah has £2000 in his bank. He has had this in his bank for the one year, it over the nisab (**£600 on 3rd December 2002**), therefore he must then pay Zakaah which is 2.5% (2.5% of £2000) = £50.
2. Fatima has £400 in the bank. She has had this in her bank for one year. She does not have to pay Zakaah, as the amount of money is below the nisab.
3. Umar has £5000 in the bank. He has had this in the bank for eight months after which he uses the money to purchase a car. He does not have to pay Zakaah, as the money has not been in his possession for one year.

The above examples show that both conditions for Zakaah to be obligatory must be met, namely the nisab, and the time period (one lunar year).

## Calculating Zakaah When Savings Fluctuate

Question: Is it wajib to give Zakaah on the money saved from the monthly wage and a year has passed and I am not using that money for investment, however, I am saving this money for me and my families expenditure. Is it wajib for me to give Zakaah in this situation?

Answer: Shaykh Ibnul Uthaymeen (rahimahullah) says: "Yes it is wajib to give Zakaah on this money if one year passes because any money that reaches the nisab, Zakaah must be paid and there is no condition attached to the money even if it is for trading."..... "but here there is one important issue that many people misunderstand, and it is money coming from the monthly wage, letting property or any other form of income which is going into the Muslims account and he is taking from that money so he is withdrawing and depositing money into his account. This makes him confused when one year has finished (due to the fluctuation of his account not being constant).

So we say in this situation: **if anytime during this year, his account drops below the nisab, then he must start counting the howl (period of one year) from the beginning of the time when his account has reached the nisab, and this money must be continuously above the nisab for one year, then he must give Zakaah when that one year finishes. This way is easy for him instead of counting every month alone which is difficult for him".**

So noble Shaykh explained that if the wealth falls below the nisab in any time of the year, then the counting of the year discontinues. Later if the wealth reaches the nisab, the counting of the year starts from that date.

### Example:

Abdullah calculates his Zakaah from one Ramadaan to the next. In Ramadaan 1423, he has £1500 savings. His savings remain above the nisab for the next two months (Shawwal, Dhul Qadah). However in Dhul Hijjah his savings fall to £500 (which is below the nisab). He therefore discontinues the counting of the year. This is because the wealth must be continuously above the nisab for a whole year.

The following month (Muhurram) his savings rise to £800. So in this month, his savings are above the nisab and he therefore starts the year count from this month. If his wealth remains above the nisab from this Muhurram to the next Muhurram (i.e. for an entire year), then Zakaah is payable at the rate of 2.5%.

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