

ISLAMIC STUDY CIRCLE

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Zakaat

A Pillar of Islam

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Zakah — A Pillar of Islam

What is Zakah

1. Zakah or Zakaat is an Arabic word which means to purify, to grow, to thrive
2. In Shariah Zakah means, the giving up of a portion of the wealth one may possess in excess of what is needed for sustenance, to purify or legitimize what one retains.
3. It is one of the five pillars of Islam
4. It was laid upon Muslim as a duty (Fardh) at Makkah at the same time as Salah
5. Its amount and method of distribution were defined at Madinah in the 2nd year of Hijrah
6. Allah Almighty has mentioned this important institution in the Holy Quran repeatedly
7. We find more than 30 places in the Quran where Zakah and Salah are mentioned together
8. One who denies its obligation goes beyond the pale of Islam
9. One who does not pay Zakah commits a grave sin
10. Even a delay in its payment is a sin according to Islamic Law

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Who should pay Zakah

Payment of Zakah is Fardh (Obligatory) for Muslim men and women who are adult, sane and free and are in possession of wealth equal to Nisab (Limit)

What is Nisab

Nisab means the minimum amounts of wealth which attracts the levy of Zakah. One in possession of 87.27 grams (7.5 Tola) of gold or 610.90 grams (52.5 Tola) of silver or currency of equivalent value has to pay Zakah

Term for the payment of Zakah

Wealth subject to Zakah must have remained in the possession of the person paying Zakah for one full lunar year

Rate of Zakah (*for gold, silver, cash, trading goods etc.*)

2.5% of the total value of one's wealth is to be paid annually as Zakah

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Wealth subject to and exempt from Zakah

| Wealth Subject to Zakah | Wealth Exempt from Zakah |
|---|--|
| 1. Gold and Silver (including jewellery) | 1. Platinum (for personal use) |
| 2. Articles of merchandise and business stock | 2. Diamonds, pearls, sapphires, etc. (for personal use) |
| 3. Cash | 3. Personal clothing |
| 4. Bank Deposits | 4. Books for personal use |
| 5. Shares, Bonds, Securities etc | 5. Residential or rental properties |
| 6. Cattle | 6. Tools and machines of your trade |
| 7. Agricultural products | 7. Factory/Shop buildings and installed machinery, fixtures and fittings |
| 8. The produce of mines | 8. Agricultural lands |
| | 9. Household goods and food for the home |
| | 10. Cars and vehicles for personal or business use |

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Schedule of Zakah

| S No | Wealth on which Zakah is Payable | Minimum amount that makes the payment of Zakah Fardh (Nisab) | Rate of Zakah |
|------|---|--|---|
| 1 | Agricultural Produce | 653 KG | 5% produce of irrigated land. & 10% of rain watered land |
| 2 | Gold and Silver, Ornaments of gold and silver | 87.27gms (7.5 Tola) of Gold 610.90gms (52.5 Tola) of Silver | 2.5% of value |
| 3 | Cash at hand or at the bank | value of 610.90gms of Silver | 2.5% of amount |
| 4 | Trading goods, shares, bonds, securities, value of other investments etc. | value of 610.90gms of silver | 2.5% of value of goods |
| 5 | Cows and Buffaloes | 30 livestock | for every 30 one 1 year old for every 40 one 2 year old |
| 6 | Goats and Sheep | 40 livestock | one for first 40 two for 120 three for 300 one more for every further 100 |
| 7 | Produce of Mines | Any quantity | 20% of value of produce |
| 8 | Camels | 5 livestock | 5-24 one sheep or goat for each five camels 25-35 one 1yr old she camel 36-45 one 2yr old she camel 46-60 one 3yr old she camel |

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The due recipients of Zakah

The Holy Quran classifies the due recipients of Zakah as follows:

1. Poor Muslims - to relieve their distress
2. Needy Muslims - to supply them with the means whereby they can earn their livelihood
3. Muslims in debt - to free them from their liabilities incurred under pressing needs
4. Muslim PoWs - to liberate them by ransom
5. Muslim students of Islamic Religious Schools - who are studying Islam for its propagation (Muslims in the service of the cause of Allah)
6. Muslim wayfarers - who are stranded in a foreign land and in need of help
7. Muslim employees - appointed by a Muslim government for the collection of Zakah to pay their wages
8. New Muslim converts - to enable them to settle in and meet their needs

Note: it is not necessary to reveal to the person to whom Zakah is paid that the cash or kind is Zakah

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Non-recipients of Zakah

It is not permissible to give Zakah to the following:

1. Ascendants: Father, Mother, Grandfather, Grandmother etc.
2. Descendants: Sons, Daughters, Grandchildren etc
3. Spouses
4. Sadaat: Descendants of Hazrat Ali, Hazrat Fatimah, Hazrat Abbas, Hazrat Aqeel, and Hazrat Haris bin Abdul Muttalib
5. Zakah money cannot be used for the construction of a Masjid or Madarsah
6. Zakah money cannot be used for the burial expenses of a deceased person
7. A dead person's debt cannot be paid from a Zakah fund
8. Zakah money cannot be given to non-Muslims. However non-Muslims in need may be helped through optional (Nafil) Sadaqah funds.

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The Benefits of paying Zakah

1. Payment of Zakah is a means of keeping our wealth clear of greed and selfishness
2. It also encourages us to be honest organised in our earning and expenditure
3. Through the payment of Zakah, the rich share their wealth with the poor and thus the process of concentration of wealth is checked and fair distribution ensured.
4. Zakah is one of the basic principles of Islamic economy based on social welfare of the whole Muslim community
5. Payment of Zakah helps us in purifying our heart and in developing higher moral and spiritual standards in our life. By paying Zakah we show that our heart is clean of the love of money and the desire to cling to it. It also shows that we are prepared to use our money for the service of humanity and the promoting of good and justice in the world.
6. Zakah is an act of worshipping (Ibadah) Allah Almighty. Because as Muslims we believe that all our belongings are only loans given in trust by Allah. Then paying Zakah for the sake of Allah is a symbol of giving it back to its real and rightful Owner.

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Zakah Al-Fitr or Fitrah

1. Fitrah is a special contribution by the Muslims meeting the requirement of Nisab to be paid before Eid prayer equivalent to the cost of one good meal from each adult member of the family on behalf of himself and his minor children.
2. It has to be paid equally by fasting or non-fasting (with a genuine reason) Muslims
3. The Prophet (Peace be upon him) is reported to have said that payment of Fitrah is compulsory. It purifies our fasts and helps the poor (Abu Daud)
4. The Prophet (peace be upon him) is also reported to have said that our fasts remain suspended between earth and the heaven (i.e. it is not accepted by Allah) unless we pay Fitrah. (Dailimi, Ibn Asakar)
5. If someone misses its payment before Eid prayer, he/she will have to pay later on.

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The punishments for not paying Zakah

And there are those who lay up treasures of gold and silver and do not spend them for the sake of God, give them the tiding of grievous suffering (in the life to come) on the day when that (hoarded wealth) shall be heated in the fire of hell and their foreheads and their sides and their backs branded therewith, and (those sinners shall be told) that these are the treasures which you have laid up for yourselves! Taste then (the evil of) your hoarded treasures.

Holy Quran Surah At-Tawbah 9 Verses 34-35

The person on whom Allah has bestowed wealth and he/she does not pay Zakah, on the Day of Judgement, his/her wealth will be turned into a venomous bald serpent which will wind around his/her neck and bite his/her jaws and say, "I am your wealth, I am your treasure."

(Bukhari)

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How to calculate Zakah

For example on 12 December 1997 the price of gold in London was £6.50 per gram and the price of silver was £0.15 per gram. If the Zakatable assets are as below:

| | |
|---|---------------------------|
| Cash at home | £ 500.00 |
| Bank/Building Society Balance | £ 1,000.00 |
| Gold 500 gms (500 x 6.50) | £ 3,250.00 |
| Silver 1500 gms (1500 x 0.15) | £ 225.00 |
| Value of stock in trade | £ 5,000.00 |
| Resale value of shares | £ 1,000.00 |
| Total value of Zakatable assets | £10,975.00 |
| Less immediate debts | £ 975.00 (see note below) |
| Total on which Zakat is due | £10,000.00 |
| Zakat payable at a rate of 2.5% would be | £ 250.00 |

Note

In case of overdrafts, credit debts, standing orders, direct debits, mortgages, business loans and other non-immediate debts only one monthly instalment is Zakat deductible