

‘FIQH OF ZAKAH’

The beloved Prophet (Sallallahu alaihi wasallam) said: “The person whom Allah (subhanahu wata ala) has bestowed with wealth, yet does not give zakat, on the day of judgment, his wealth will be turned into a poisonous/lethal bald snake which will wind around his neck and bite his jaws and say: I am your wealth, I am your treasure” (Bukhari).

When does zakat become obligatory?

Zakat becomes obligatory upon an individual when they meet 5 conditions:

1. Be a muslim 2. The person must be free (not a slave) 3. Mature (reached puberty-baaligh) 4. Sanity (not mentally unsound) 5. When he/she becomes the owner of the appointed Zakat-payable amount (nisab), for the first time in his/her life, after reaching puberty.

This ‘Nisab’ is monetary equivalent to, 612.36 grams of silver and/or 87.48 grams of gold.

If someone’s total assets/wealth comes to the value of the above-mentioned Nisab, one will be known as *Sahib al-Nisab*, and hence Zakat will become obligatory at the rate of 2.5%. And when zakat is given for the first time, remember this date as thereafter, Zakat will be payable each year at the same appointed Islamic date.

So as a guide, because silver in value is lower compared to gold, as long as a persons total assets/wealth are 612.36 grams silver (calculate the grams in ‘cash’ and see if you have the amount- see www.e-nisab.com) –for example, 612.36 grams silver was equivalent to approx (£221.79p) in cash as at 30/07/10(18th sha’ban) – so if this was ‘your yearly date’ and your ‘total assests/wealth’ were the amount of £221.79p or more, then you need to give zakat.

So for example, Ahmad reached puberty at the age of 15 and he became ‘*Sahib al-Nisab*’, assuming the value of silver stayed the same as above, he became the owner of at least (£221.79p) on the 1st of Ramadhan 2010 –

So on the 1st of Ramadhan 2011 (after 1 lunar year), Ahmad still has at least the amount £221.79p – (assuming the value of 612.36 grams silver is still the same), then he needs to give 2.5 % Zakat on that day of all his ‘assets’.

On what ‘assets’ does zakat need to be paid?

Zakat is to be paid only on certain items, namely:

- 1) Gold and silver-** ornaments, jewellery (even if personal use), utensils etc.
- 2) Cash-** on person-in hand, in banks, generated from property on rent, generated from all possessions, money lent to others - expected to be returned.
- 3) Merchandise -** items/goods bought with intention of ‘resale’ (market value/selling price- not the price it was bought), stocks & shares... Goods that are purchased with the intention of re-sale are referred to as 'merchandise'. If one purchased a piece of land, car, house or a property etc with the intention of reselling it, then Zakat becomes obligatory

on its current market value. Therefore, if the piece of land or property has come into your ownership and your time for zakat payable arrives, then Zakat will be obligatory on the current 'market value' of this land or property. (*for specifics, ask a scholar*).

For example, if Ahmad purchased a house with the intention that, when the opportunity arises 'I will sell it' and accumulate profit. In this case, Zakat will be obligatory on the current 'market value' of the property.

However, if he purchased the property keeping his options open, without making a clear and firm intention to buy and resell. For example, he thought to himself that, if the opportunity arises I will sell it, or give it on rent, or if there is a need, I will reside in it myself or keep it for my future family, then Zakat will not be obligatory on the 'market value'. (Although the rent generated from a property will have to be added for zakat).

Giving zakat of the 'market value' means: if the house is valued at £ 100,000. When his Islamic date of zakat payable arrives and the house is in his ownership – along with his other assets, the value of £ 100,000 will also have to be added to his total calculation when calculating his 2.5% zakat.

Moreover, if he had the intention of personal use but later changed his mind and put it up for sale, even then Zakat will not be obligatory until he does not actually sell the property and receive the money. The reason for this is that, at the time of purchase there was no intention of re-sale. Changing the intention (after purchase) will have no affect on the ruling. (*The Creator knows our inner thoughts/intentions even before we think them*).

4) Agricultural produce

5) Animals & Livestock

So you add the value of all these types of wealth above and pay 2.5% of the total- on your particular (Islamic date) every year.

Can I deduct debts/loans that I need to pay back to others, from my total calculation?

Long term fixed- loans: This loan can be paid back in 'manageable fixed installments'. For example, the 'mortgage' is paid in installments and on a long-term basis, and is not classed as an 'immediate debt'. As such, one should not deduct the total outstanding amount of mortgage from one's calculations. However, one can deduct the amount owed for the next 12 months (one lunar year).

Non-fixed loans: when one adds all the Zakat-able assets as one amount- Any Debts/loans that need to be paid back to others, and are not long term to be paid back in 'manageable installments', the whole amount is 'subtracted' from the calculation of your total wealth/assets when calculating zakat. (*for specifics, ask a scholar*).

Note: so the whole of your debt and money owed is to be subtracted from your total assets before calculating zakat, unless it is a large amount and is paid back in manageable installments, then only the forthcoming 12 months of payments due, should be subtracted from your total assets.

Note: 'Future' installments such as bills / taxes 'cannot' be taken into account and cannot be 'subtracted' when calculating zakah, whatever your total assets are on your particular Islamic date, have to be calculated.

Note: No zakat is due on your personal belongings/items, such as car, clothes, household furniture etc.

As a principle, one must always remember that when one becomes the owner of the fixed Nisab amount (which is 612.36 grams of silver) for the first time in one's life, then that (Islamic) date should be kept in mind. Then the following year on the same (Islamic) date, if one is still the owner of Nisab, one will be considered as sahib al-Nisab hence Zakat will be obligatory at the rate of 2.5% on the total zakat-able assets.

What about if a particular asset hasn't been in my possession for a whole Lunar year?

It makes 'no difference' whether the wealth increases or decreases during the course of the year, neither is it necessary that every part of the wealth remains in one's possession for the whole year. See example of Ahmad above – when the date arrives of 1st Ramadhan, whatever assets Ahmad has on that date, he calculates all his assets and gives 2.5% in zakat. However, if due to some reason 'all' the wealth is lost, (so Ahmad goes even below the threshold of silver nisab – £221.79p), at any point in the year - then when he becomes the owner of Nisab once again, then that will be his 'new' date and zakat will be calculated thereupon.

How does a housewife who has no source of income, pay zakat on her personal jewellery?

If a woman has in her ownership gold or silver the value of which reaches the appointed Nisab amount, then she will be required to pay Zakat. If she has money in the form of cash, she may pay the Zakat from it; otherwise, she will have to sell some part of the jewellery in order to pay the Zakat. She may even give an item from the jewellery itself as Zakat.

However, it is suggested that if she has no other savings, her husband or father pay Zakat on her behalf with her permission. It will be as though her husband or father is giving her some money as gift, and she is utilizing that money to pay off her Zakat. If that is not possible, she will have no alternative but to sell some part of the gold and silver jewellery in order to fulfil her responsibility.

What if someone on whom zakat was obligatory ,hasn't paid zakat before?

We need to understand its obligation as a 'core pillar of Islam' and it is essential to adhere to the commands of the Creator, and recognise the severe consequences of not doing so. If you have not paid Zakat for the previous years, you need to make a precautionary estimation as to the total wealth that was owned by you each year in the form of the items mentioned above. You need to estimate how much savings you had each year, whether the cash was at hand, in the bank, in the form of checks etc. You need to estimate how much gold and/or silver you possessed (if any) and how much business wealth (i.e items for resale) you owned, since after reaching puberty. Whatever total amount you consider to be your savings to be, give 2.5% zakat for 'each year'.

Whom can you 'not' give zakat to?

One cannot give Zakat to one's parents, grandparents, great-grandparents, and so on; and one's children, grandchildren, great-grandchildren, and so on. Likewise, it is

impermissible to give Zakat to one's spouse, be it one's wife or husband. (Ibn Abidin, *Radd al-Muhtar* 2/346).