

THE ZAKĀT HANDBOOK

*A Practical Guide
for Muslims in the West*

With Zakât Worksheet

زَكَاةُ الْمَالِ

THE ZAKÂT HANDBOOK

*A Practical Guide
for Muslims in the West*



THE ZAKAT FOUNDATION
OF AMERICA

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Printed in the United States of America.

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This book is printed on premium acid-free paper that meets the minimum requirements set for alkaline papers by the American National Standard for Information Sciences—Permanence of paper for printed Library Materials, ANSI Z 39.48-1984.

Cover design by Ashfaq Rahim

Calligraphy by Mamoun Sakkal

All translated citations of The Quran in this book are from *The Gracious Quran: A Modern-Phrased Interpretation In English* by Ahmad Zaki Hammad
Book Design, Editing & Writing by Prosody LLC—A Writing Company

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Foreword

Zakât, or Zakât al-Mâl, means obligatory “alms” or “alms upon wealth.” It stands as the Third Pillar of Islam, coming immediately after Şalât, or the daily Ritual Prayer. Every Muslim possessing the designated minimal amount of wealth (called *nişâb*) for the full cycle of a lunar year must, as a matter of worship, satisfy the duty of the Zakât-Charity. Unfortunately, the calculation of Zakât in our wealth-diverse times has become unclear to many Muslims. This has led to a kind of guessing at the Zakât payment one owes to the eligible—which has, in turn, commonly resulted in either underpayment of Zakât or a hasty “fulfillment” made simply to rid oneself of the nagging feeling of an unresolved religious obligation.

In my work with the ZAKAT FOUNDATION OF AMERICA (whose mission is to help American Muslims nationwide carry out their Zakât duties easily and correctly), many crucial, yet readily answerable, questions have come to light. The novel Zakât issues facing us now, along with widespread unawareness about established Zakât principles and rules, made clear to us the need for a fairly comprehensive yet practical guidebook on Zakât, one that would straightforwardly address the contemporary uncertainties and concerns of Muslims. It needed to be a handbook that went beyond expression of

the great virtues of this Pillar to shed light for the American Muslim on the basic rules and methods of its calculation, whether one is on monthly salary, a small business owner, an investor in the markets, or anxious about the implications of a pension plan on his or her Zakât.

This little book responds to that call, answering the major questions that Muslims living in the West today have about determining their Zakât. It begins with a basic over-

No Charity Too Small

The Prophet ﷺ said:

Charity the worth
even of a [single] date
is accepted by Allah
so long as it is from
lawful earning. Allah
takes it in His Right
Hand and nurtures
it for its giver in the
same way you bring
up your horse's
yearling, until that
small bit of charity
becomes the size of a
mountain.

(Bukhari, No. 491)

view that succinctly and accurately describes the concept and purposes of Zakât, in accordance with traditional scholarship. It then characterizes Zakât's personal spiritual significance, as well as its proven social efficacy. Thereafter, it answers the most common and important questions about the types of "zakatable" wealth and its conditions. Next, it begins to teach anew the "how-tos" of Zakât assessment for these common forms in our uncommon times. It goes on to describe eligible Zakât recipients in our society and community, and the related topics of paying and collecting Zakât on

their behalf and disbursing it to them. Finally, it takes one through Zakât calculation and looks at charitable vehicles in Islam other than Zakât al-Mâl.

Sprinkled throughout are glimpses of the endlessly uplifting examples of the Companions of the Prophet ﷺ and the early Muslims, and their inspiring selflessness in giving for the sake of God. These few factual accounts of their *spirit-in-alms* and charitable giving transport us far beyond the bound-

aries of Zakât as a merely mandatory mechanism of wealth redistribution. Suddenly, we see the moving, emotional, motivational social miracle that unstinting generosity as a matter of worship can work in any culture when the civilizing forces of Zakât and *ṣadaqah* (charity) are freed to do their work in a believing society: Relieving burdened hearts, healing personal woes, raising up financially independent families, and purifying the purse (and persons) of the rich. Importantly, Islam defines affluence much differently than does modern society. Extravagance is not the measure of being rich. Anyone who has enough money and possessions to satisfy his or her own basic needs and those of one's dependents—meaning food and drink enough to survive, essential shelter, and the basic means that facilitate one's livelihood and obligations—Islam considers wealthy.

What is truly special about this book, however, is the exact and easy Zakât calculation form it provides at its end. Most available Zakât estimation tables are either incomplete, too complicated, or both. Although this book's Zakât form does not cover all types of wealth, it will more than meet the needs (and be such welcome help, God willing) of almost all Muslims living in modern societies.

To ensure that this handbook accurately represents sound religious rulings and the Sharī'ah, much research and consultation went into its compilation. Based on the great works of Zakât by our most prominent scholars, it is well

The Seed & Mountain

Yaḥya ibn Mu'adh said:

"I know of no seed that weighs the like of the mountains of this earth save for the seed given in charity."

(*Al-Iḥyā'*, 1:267)

The Best of Charity

The Prophet ﷺ said:

"The best charity is to your needy relatives."

(*Tabarânî*, No. 204)

grounded and reliable. Be assured that we have presented here the positions of scholars recognized as *mujtahidîn* (or, qualified, independent legal practitioners) on current Zakât topics, largely unexplored before our times. A noted source for contemporary cases is the celebrated Dr. Yusuf al-Qardawi's *Fiqh az-Zakât* (a book translated into English under the same name (with the subtitle: *A Comparative Study*, published by Dar al-Taḳwa, London, UK, 1999). This book relies heavily on Shaykh Yusuf's monumental service to contemporary Muslims in *Fiqh az-Zakât*.

Yet even the opinions of Shaykh Yusuf herein have undergone secondary scholarly review, in light of the four widely practiced schools of jurisprudence (*madhâhib*) in Islam. Basic differences of detail are not uncommon. Hence, on occasion, variant opinions are noted before finally endorsing the one that seems to enjoy the broadest scholarly support.

This book is itself compiled and presented as an ongoing charity (*ṣadaqah jāriyah*) with three goals: (1) To help Muslims better understand the concepts and principles that inform this pivotal Pillar of their faith; (2) to assist them in properly calculating their Zakât; and (3) to promote aiding those in dire need to obtain—not their privilege—but their *right* in the wealth of those whom God has tested with means in excess of their own requirements.

If you are interested in sponsoring the free distribution of this booklet, please contact us. Direct all questions and requests for clarification to Inquiries@thezakat.org. Response time for such queries is normally several business days for questions to be answered by qualified scholars.

In the end, kindly accept my heartfelt personal gratitude for your mindfulness about Zakât as a Pillar of your worship and your remembrance of the poor. I ask you to pray for all those who helped publish this book, in particular Dr. Main Khalid Al-Qudah, of the Assembly of Muslim Jurists in America (AMJA), for his scholarly review and guidance;

and Dr. Mohamad Chehade, whose expertise in nonprofit management and concern for accurate Zakât calculation gave birth to this project.

May Allah, Exalted and Transcendent, make the needy beloved to us, soften our hearts toward them, and bless us with the knowledge and faith to “return” to them their rightful due, which He has safeguarded with us.

And the last of our prayers is *all praise is for God alone, Lord of all the Worlds*, for He alone provides and owns, and He alone is most-high and most-knowing.

Khalil Demir
Director, Zakat Foundation of America
1 September 2007 / 19 Sha‘bân 1428

1. Zakât Essentials

What Does the Word Zakât Mean?

The literal, or denotative, definition of the word ‘zakât’ (sometimes spelled ‘zakâh’) is “increase,” as in growth (*namâ*). The word also connotes “blessings” (*barakah*), “purification” (*tahârah*), or “commendation” (*madh*).

Why Is the Word Zakât Used for Alms-Giving?

Zakât is named as such for three spiritual reasons reflected in the Arabic word: (1) God promises the blessing of “growth” in the wealth of any who pay from their money and property the charity He has obliged; (2) the Zakât-Charity “purifies” its giver of sin; and (3) *zakâ* may suggest ‘sweetening,’ implying that wealth on which Zakât has *not* been duly paid remains bitter in this life and the Hereafter.

When Was Zakât Made Mandatory? In What Form?

God commanded believers to pay the Zakât-Charity to help those in need within the first few years of the Prophet’s call in Makkah. Initially, the types of wealth it applied to and the amounts were not specified. God detailed its kind and rates nearly a decade later, in the second year after the Hijrah (Hegira), just prior to the divine decree to fast Ramadan, as Islam’s Fourth Pillar of worship.

What Is Zakât's Special Virtue?

The Quran, along with the statements, the practice, and the approvals of the Prophet ﷺ, makes abundantly clear that no person or society can fare well without instituting Zakât. On one hand, it purifies the soul of the believer by removing his or her sins, which draws one nearer to God and the attainment of His pleasure. On the other, it channels a nation's prosperity to greater evenness between people, which substantially reduces their resentment and disaffection with one another.

The notable Companion of the Prophet ﷺ, Abû Hurayrah, relates that a Bedouin once asked the Prophet ﷺ to instruct him in a course of action that would cause him to enter Paradise. The Prophet ﷺ replied: "Worship God and join not anyone with Him (in that worship)! Resolutely establish the Ṣalât-Prayer (in your life). Pay the Zakât-Charity (annually). And observe the fast of (the month of) Ramadan" (Bukhârî, No. 480).

How Does the Quran Address Zakât?

The Zakât-Charity accompanies the mention of the Ṣalât-Prayer in 82 verses of the Quran. So it almost always appears in association with the Prayer, the Second (and most important) Pillar of Islam, after the testification of faith, bearing witness that God is One. Note the repeated emphasis and sequence in God's decree in the Quran:

- ➡ You shall [duly] establish the Prayer. And you shall give the Zakât-Charity. And you shall bow [to God in Prayer] along with those who bow [to Him]. (Al-Baqarah, 2:43)
- ➡ Rather, [duly] establish the Prayer. And give the Zakât-Charity. And obey [the commandments of] God and His Messenger. (Al-Aḥzâb, 33:33)
- ➡ Yet you shall [duly] establish the Prayer. And you shall give the Zakât-Charity, and [thereby] lend God a most goodly loan. For whatever good you advance for your souls, you shall find [its reward] with God [in the Hereafter; yet] it shall be far better and much greater in reward. (Al-Muzzammil, 73:20)

The Quran links six eminent virtues directly to Zakât:

1. *The Virtue of Faith*

Paying the Zakât-Charity is a sign of good character and a proof of one's sincerity as a Muslim:

- ➡ Truly, the believers shall realize [everlasting] success: The ones who attain humility in their Prayers; the ones, moreover, who [unfailingly] turn away from [any] vile talk [they hear]; the ones, moreover, who [unstintingly] give the [due] Zakât-Charity. (Al-Mu'minûn, 23:1-4)
- ➡ But if they repent and [duly] establish the Prayer and give the Zakât-Charity, then they are your brothers in religion. (Al-Tawbah, 9: 11)

Similarly, the Prophet ﷺ said: "Zakât is proof of one's faith" (Nasâ'î, No. 2286).

2. *The Virtue of Righteousness*

- ➡ Righteousness [in the sight of God] is not the mere turning of your faces toward the East or the West. Rather, true righteousness dwells in one who believes in God, and [in the coming Judgment of] the Last Day, and [in] the angels, and [in every revealed] Book, and [in all] the prophets; and [dwells in] one, who—despite his love [for it]—gives [of his] wealth [in charity] to close relatives and orphans, and to the indigent and the wayfarer, and to beggars, and for [the emancipation of] slaves; and [dwells in] one who establishes the Prayer and gives the Zakât-Charity.... (Al-Baqarah, 2:177)

3. *The Virtue of True Belief*

- ➡ Those who [duly] establish the Prayer and who spend [charitably] out of what We have provided them—it is these who are, in truth, the believers. For them, there are [lofty] ranks [awaiting] with their Lord, and forgiveness, and a generous provision. (Al-Anfâl, 8: 3-4)

4. *The Virtue of Receiving Divine Mercy*

- ➡ My mercy encompasses all things. Thus shall I decree it for those who are God-fearing and who give the Zakât-Charity, and those, moreover, who believe in [all of] Our [revealed] signs.... (Al-A'râf, 7:156)

5. *The Virtue of Attaining Success in the Hereafter*

- ➡ *Alif Lām Mīm* These are the ‘revealed’ verses of the all-wise Book. It is guidance ‘for all people’, and mercy for those who ‘would’ excel in ‘doing’ good: The ones who ‘duly’ establish the Prayer, and ‘who’ give the Zakât-Charity, and who ‘within themselves’ have ‘utter’ certainty of ‘the imminence’ of the Hereafter. It is these who are ‘advancing’ upon ‘the path of guidance from their Lord. So it is these who are the ‘truly’ successful. (Luqmân, 31:1-5)

6. *The Virtue of Freedom from Fear on the Day of Judgment*

- ➡ Those who spend their wealth in the path of God—then do not follow up what they have spent [in charity] with boastful reminders, or any harm—they shall have their reward with their Lord [in full]. And there shall be no fear upon them [when they assemble for Judgment]. Nor shall they ever grieve [over the life of the world]. (Al-Baqarah, 2:262)
- ➡ Indeed, those who believe and do righteous deeds and [duly] establish the Prayer and give the Zakât-Charity, they shall have their reward with their Lord. And there shall be no fear upon them [when they assemble for Judgment]. Nor shall they ever grieve [over the life of the world]. (Al-Baqarah, 2:277)

How Does the Divine Law of Shari‘ah Define Zakât?

As noted, Zakât is the third of the five perennial divine commands to humanity. The Prophet ﷺ said in this regard: “Islam is built on five (pillars): Testification that there is no God but Allah, and Muhammad is His Messenger, performing the Salâh-Prayers, giving the Zakât-Charity, fasting Ramadan, and performing Hajj if one is able” (Muslim, 1, No. 0019).

In terms of Law, Zakât is first and foremost a compulsory act of worship. To pay Zakât is, therefore, to obey the command of God in partial fulfillment of our divine covenant.

The Companion Jarîr ibn ‘Abd’Allâh relates that the Messenger of Allah ﷺ took a covenant directly from him to establish the Şalât-Prayer, to pay the Zakât-Charity, and to give sound advice to Muslims for their (spiritual) wellbeing (Bukhârî). This means that the Prophet ﷺ took pledges from

his Companions to permanently institutionalize the payment of the Zakât-Charity in their lives and the life of the Muslim Community. For in the giving of Zakât one has hope of receiving Heavenly reward in the Hereafter and increase and blessing in one's wealth in this life.

Is Paying Zakât a Condition of Faith?

Flouting the First Pillar of Islam—the testification of faith (*shahâdah*)—is unbelief. Neglect of any of the other four foundational Pillars of Islam when one is able to do them—including Zakât—is a major sin. If that neglect rises to the level of outright repudiation or defiance many scholars categorize this as an act of unbelief (As-Sayyid Sabiq, *Fiqh-us-Sunnah*, 3:7). There is particular emphasis in this regard on performance of the Ṣalât-Prayer as the central Pillar of worship in Islam; and, as we have seen, Allah has made Zakât a strong corollary of Ṣalât in the Quran and the Sunnah (teachings and practices) of the Prophet ﷺ.

Confusion about the relationship between Zakât and faith often arises out of the misinformed view that the Zakât-Charity is comparable to a tax. The Microsoft Word™ dictionary, for example, defines Zakât as a “tax that goes to charity.” Yet unlike a tax, Zakât is an obligatory act of worship, the performance of which qualifies one for divine reward and whose deliberate abandonment may result in divine chastisement.

The Prophet ﷺ said: “Pay the Zakât-Charity so that your Islam becomes complete” (Bazzâr). This implies that

Fearing Poverty & Aspiring for Wealth

The Companion
Abû Hurayrah رضي الله عنه said:

A man came to the
Messenger of Allah
ﷺ and asked him
to clarify the kind
of charity that gave
one the best [divine]
reward.

The Messenger of
Allah ﷺ mentioned
charity given in health,
in fear of poverty and
aspiring to wealth.

(Bukhari, No. 500)

one's profession of faith as a Muslim is at least deficient (and possibly insincere) if one fails to pay Zakât. The first Caliph, Abû Bakr Al-Şiddîq, brought the power of the state to bear on those Muslims who renounced the due Zakât payment, though they asserted their belief in one God, the Şalât-Prayer, and the fast of Ramadan.

What Are the Consequences for Failing to Pay Zakât?

Again, to pay the Zakât-Charity is to become eligible for divine reward in the form of blessings and bounty in the life of this world and grace in the Hereafter. Similarly, to neglect its payment is to risk incurring severe divine chastisement. Allah states in the Quran:

- ❏ So woe to those who associate gods with God, those who do not give the Zakât-Charity, and those who are disbelievers in the Hereafter. (Fuşşilat, 41: 6-7)
- ❏ Nor let those who are miserly with what God has given them of His bounty think that it is good for them. Rather, it is evil for them. What they stingily withhold shall be hung about their necks on the Day of Resurrection. (Âl 'Imrân, 3:180)
- ❏ Yet as for those who hoard up gold and silver and do not spend it in the path of God—give them [heavy] tidings of a most painful torment—on a Day [Hereafter] when [gold and silver] shall be heated in the Fire of Hell. Then their foreheads and their sides and their backs will be branded with it [and it shall be said to them]: This is what you have hoarded up for yourselves! So taste [now] what you used to hoard up! (Al-Tawbah, 9: 34-35)

The Prophet ﷺ said:

If one is given wealth by Allah but does not pay its Zakât, that wealth will appear to him on the Day of Judgment in the form of a bald-headed serpent with two horns, enwrapping and squeezing him the entire day. Then it shall seize him by the lips and tell him: “I am your wealth, your treasure which you hoarded.” (Bukhârî)

It is reported that during his miraculous Night

Journey and Ascension (*Al-Isrâ' wa'l-Mi'râj*), the Prophet ﷺ saw a group of people in tatters, behaving like animals, eating the thorns and stones of Hell. He inquired about them, and the Arch-Angel Gabriel answered: “These are people who failed to pay the Zakât on their wealth” (Bazzâr).

Those who refuse to pay the Zakât-Charity are not only liable to chastisement in the Hereafter, they also place their worldly wealth and assets at great risk of loss; for they have willfully deprived the poor and the eligible of the right they hold in their wealth. The Prophet ﷺ said:

When any amount of wealth is destroyed on land or sea, it may be that its Zakât was not paid. (Ṭabarânî)

Only by paying the right of the poor and eligible in the form of Zakât is wealth purified, and protected against decrease and destruction as divine chastisement. The Prophet ﷺ said:

A people that withhold payment of the Zakât due on their wealth shall be deprived of rain. Were it not for the sake of (God’s mercy on) their cattle, they would receive no rain at all.” (Ibn Mâjah, Al-Hâkim)

Zakât that is not separated out of one’s money and spent on those in need corrupts the remainder of one’s wealth. The Prophet ﷺ said:

Zakât never (remains) intermingled with any amount of wealth (upon which it is due) save that it destroys and rots it. (Bukhârî, Bazzâr, Bayhaqî)

Isn’t the Zakât-Charity Voluntary?

Islam strongly exhorts the wealthy to donate much in voluntary charity (*ṣadaqah*). But as to alms-giving, it does not leave this to their discretion. To place the right of determining charitable minimums in the power of the affluent, is to subjugate the poor to them—a futile program, indeed, to alleviate poverty and its related conditions. Not only does it fail to establish an amount and payment schedule the poor can count on, it provides for no external authority to legitimately

compel the rich to turn an assessable wealth-portion over to the needy on an ongoing basis.

People left solely to their own consciences can still grow selfish, developing justifications and rationales for not parting with the money and possessions their hearts come to hold dearly, even above all other things. Such is the human propensity in the absence of revealed faith, as Allah describes it in the Quran:

- ➡ No indeed! Rather, you [human beings break the covenant of God: You] do not give generously to the orphan. Nor do you urge one another to feed the indigent. Moreover, you devour the inheritance [of others] with a devouring greed. For you love wealth with an ardent love. (Al-Fajr, 89: 17-20)

But Doesn't Our Own Wealth Belong to Us?

Unlike other religions, Islam teaches that a person's wealth is a loan entrusted to him or her by God, the true Owner of all things. We are simply His trustees, appointed to use and manage God's resources for a designated time. Charity is, therefore, a right payable to the poor from the wealth we temporarily administer on God's behalf. Recall also that charity is a debt of worship owed by men and women to God that cleanses the remainder of their holdings. Allah states in the Quran:

- ➡ Moreover, give them of the wealth of God that He has given you. (Al-Nûr, 24:33)
- ➡ You shall believe in God [alone] and His Messenger! And you shall spend [charitably] out of that [wealth] over which He has made you trustees. Then [as to] those of you who have thus believed and spent, [know that] for them there is a great reward [awaiting in the Hereafter]. (Al-Hadîd, 57:7)

More than 50 verses of the Quran remind that Allah is the sole Lord of All the Worlds. Often in the Quran, we come across the phrases '*razaqnâhum*,' meaning 'We have provided them,'

or ‘*razaqnâkum*,’ ‘We have provided you.’ The suffixed ‘We’ here is the royal ‘We,’ referring to God as the true and only sovereign, and thus the rightful Owner of all things—including all worldly wealth.

Only in ignorance does a man or woman consider the wealth they momentarily control, in all its forms from real property to currency, as truly his or her own. God, its Giver, is, in fact, its true Owner. In His grace, God entrusts it to us, for a time.

This means that, to some extent, the poor and rich lay equal claim to the wealth of the world. So one who pays Zakât actually “purifies” his or her money and property by separating out of it the portion that belongs to its rightful claimants and trustees; namely, the poor and all those whom the Quran specifies as eligible to receive and further manage it.

Is Zakât a Favor the Rich Grant to the Poor?

No. Like buying and selling, Zakât entails a human equation. On one side, there is the obligation of Zakât’s payment; on the other, the right to receive that payment. Zakât is a minimal obligation imposed upon the wealthy payable in full, upon rightful claim, to the needy.

Zakât is alms, or obligatory charity, that primarily re-distributes money and property in society from those who have it in minimally sufficient quantities to those whose holdings do not rise to that minimum. The Prophet ﷺ on occasion explicitly characterized the conditions of people who were to receive Zakât. When the Prophet ﷺ sent his Companion Mu‘âdh ibn Jabal to teach Islam to the people of Yemen, he instructed him to collect money from their wealthy and give it to their poor.

First, invite the people to bear witness there is no God but Allah and I am His Messenger. When they so bear witness, tell them Allah has enjoined the five daily Prayers. When they accept this, inform them of the divine commandment to pay the Zakât-Charity, which you shall collect from their rich and distribute to their poor.” (Bukhârî, No. 478)

It is important to emphasize that Zakât is not a “favor” the rich bestow upon the poor. Rather, it is the “right” of the needy upon their affluent. To withhold Zakât is to deprive the poor of their due share in God’s wealth, an offense liable to divine penalty.

➡ Moreover, in their wealth was a rightful share ‘of charity’, for the beggar and the destitute. (Al-Dhâriyât, 51:19)

Can Zakât Ever Be Substituted by Other Payments?

Again, the Zakât-Charity is *obligatory* not optional, *worship* not a tax. No matter the country one lives in, and whether one’s taxes increase or decrease, there is no substitute for paying Zakât. Zakât is a permanent and continuous Pillar of Islam. No tax can ever replace it. No circumstance can ever preclude its payment whenever it comes due. God, Himself, has made the giving of Zakât to the needy and entitled a sign of loyalty to Him.

Governments may forgive unpaid taxes, but none can absolve one of due Zakât payments—no matter how far back they accumulate—for Zakât is other people’s money. Muslim scholars, such as the Eleventh-Century Andalusian polymath Ibn Ḥazm, have said that one who has failed to pay Zakât shall have one’s due Zakât calculated at its set percentage rate and then multiplied by the years it was not paid—even if this consumes all of one’s wealth. Other scholars hold that nonpayment of Zakât forfeits one’s right to transact business. Moreover, if a transaction stipulates that a portion of profits shall inure to the benefit of a Zakât fund, nonpayment of that fund nullifies the contract.

Zakât is a solemn obligation. The moment it falls due upon one’s wealth, that portion no longer belongs to the wealth-holder. The poor and eligible automatically become its rightful owners. Let no believing man or woman feel content with the wealth God has granted them until they have duly distributed the Zakât due on it to the poor and needy, who are its lawful trustees in the sight of God.

How Does Zakât Differ from Taxes or Tithes?

In America, for example, the government levies an (increasingly disputed) income tax on individual earnings even before the earner, or his or her family, is provided for out of those wages. The sums can be staggering, as much as 50 percent. Many observant Christians are required to pay a “tithe” (a word that means literally a “tenth”), thus not less than 10 percent of their *overall* annual income. The Zakât-Charity is, for the most part, a 2.5 percent payment only on one’s “disposable” income and property—after one fulfills all one’s other financial obligations in a single lunar year. (Zakât on some kinds of wealth can go up to 20 percent, but this is a limited exception). The point is that Zakât is paid on one’s “remaining wealth, not “total” income or holdings. The wealth one uses for daily living—for food, housing, transportation, etc.—is exempt. That is, while taxes in America are paid on your full income *before* you even fulfill your vital needs, Zakât is paid only on the wealth that is left to you *after* you have sufficed your own needs and those of your dependents, *for a full lunar year*.

In sum, Zakât is a religious obligation of worship ordained by God to meet the needs of deserving recipients who fall into one or more of eight divinely designated categories. When one pays Zakât, one’s religious obligation to pay the Zakât-Charity is fulfilled, with no worldly return—not even thanks—due to him or her by Zakât recipients for the payment. Reward is sought from God alone. A tax, on the other hand, is generally paid to enable functions of the state. Hence, a taxpayer, at least in theory, renders mandatory payments to governments for direct and indirect services received.

So, while taxes diminish one’s money in exchange for eligibility in certain systems, the Zakât-Charity increases, blesses, and purifies ones wealth as worship in this world, for which God alone offers divine commendation everlastingly to the believer in the Hereafter.

2. Zakât and the Individual

Why Did Allah Enjoin the Zakât-Charity?

God ordained Zakât among Muslims to create the requisite conditions of a just society. Islam achieves this not by the sacred injunction of the Zakât-Charity alone. First it infuses the individual heart with a spiritual awareness that makes a person see why it is crucial to strive with oneself to transcend the tremendous gravity of the life of the material world. It then lays down a morality of wealth that requires one to part with a fraction of the money and holdings one loves, but which weigh one down, in favor of one's fellow human beings who are in urgent need. For this reason Zakât is a true moral criterion, a standard of conduct that paves a way to success in this life and in the Hereafter.

This is also why paying Zakât is an act that purifies one's wealth. For in the first instance, Zakât is a divine prescription that cleanses the human heart of all manner of greed and excessive material desire. These ungodly qualities it replaces with a love of God that manifests itself in an action that asserts our higher human natures over our lower, animal impulses. By paying Zakât we become obedient to God, sincere in our worship of Him, and grateful to Him for His blessing of life and guidance. So Zakât not only filters out impurity from our wealth, it decontaminates us ourselves from sin, base character, and guilt. God says in the Quran:

→ Take from their wealth a charitable offering to cleanse them and purify them thereby.... (Al-Tawbah, 9:103)

What Does this Verse Mean?

In this verse, the command “take from their wealth a charitable offering” is a divine instruction to the Prophet ﷺ to collect a stipulated amount of alms as Zakât from the believers as a way of repentance for them. The phrase “to cleanse them” (*tutahhiruhum*) indicates removing from them the faults of stinginess, avarice, meanness, and lack of remorse—especially in their attitude toward the needy.

Is Giving Charity on Behalf of the Dead Permissible?

The Companion Ibn ‘Abbâs ؓ said that a man came to the Prophet ﷺ and asked him:

‘O Messenger of Allah, my mother died. Were I to give charity on her behalf, would it benefit her?’

The Messenger of Allah ﷺ replied in the affirmative.

(Tirmidhî, No. 537)

“To purify them” (*tuzakkîhim*) means to sanctify them by the blessing of a righteous deed and to aid them in their struggle to uplift themselves until they become worthy of happiness on earth and everlastingly in the Garden, in the Hereafter.

What Is the Effect of Zakât’s Purification on People?

Zakât seeks especially to fix in our remembrance the right of the poor, that they should not be forgotten or neglected, so as to sustain their human dignity.

For this reason, the Hanafite School of Islamic Law disallows the paying of the Zakât-Charity to other eligible categories of people in need (see Sûrat Al-Tawbah, 9:60) until those in poverty are sufficed.

Islam elevates the entitlement of the indigent to a religious rite of devotion. Hence, every earning Muslim who acquires means beyond the most basic needs of oneself and one’s dependents is duty-bound to pay materially into the

obligatory institution of Zakât in order to obtain for him or herself in exchange a clear godly end. The result is a sacred act of worship offered by the believer that inures to the tangible socio-economic benefit of all humankind. From its advent, Islam has enshrined the right of the poor in its creed with the social purpose of abolishing poverty and removing any need for the destitute to advocate on their own behalf or, ultimately, to be forced to rebel against society in order to gain their God-given right to sustenance and human dignity.

***Will the Zakât I Pay Bring Other Benefits to Me,
Even Though It Is Obligatory?***

Zakât benefits not only the one who receives it, but, perhaps, even more so the Zakât payer him- or herself. Our scholars have enumerated the outstanding effects that Zakât bequeaths to such individuals and their wealth.

1. *Zakât Makes One Aware that All Wealth Is God's*

In many verses of the Quran, Allah speaks of the believers as those who *spend charitably from what We have provided them*. This implies, as commentators note, the believers' inner conviction that all that they own and possess is a gift and favor from God. None of it is of their own making, or a result of their special intelligence, gift, or knowledge. If one believes that his wealth and fortune are a result of his own labor and talent, this reflects a serious lack of understanding and insight on his or her part. Allah states several times over in the Quran that wealth and poverty are in His hands. *For it is God alone who withholds and extends reward and abundant provision* (Al-Baqarah, 2:245). Whether people work hard all their lives for little or rest as wealth flows to them, let them ask themselves with humility, "Who controls the events in our day-to-day lives that add up to our worldly fortunes and earthly provision?"

2. *Zakât Purifies the Soul of Miserliness*

Islam recognizes the human being's instinctive desire for

riches and the soul's propensity to selfishness: *Yet beware that avarice is ever-present in the human soul* (Al-Nisâ', 4: 128). When one pays Zakât from one's wealth, one gives up a portion of what God has lent one in this life to help the needy. This directly counteracts greed and materialism—essential discipline for a creature so given to passionate attachment to possessions.

➡ [Moreover, know, humankind, that] your wealth and your children are [a cause of] temptation for you. (Al-Taghâbun, 64: 15)

➡ For you [human beings] love wealth with an ardent love! (Al-Fajr, 89: 20)

➡ And, indeed, in his love of worldly goods, [man] is most surely fierce! (Al-Âdiyât, 100: 8)

Yet the will to godly devotion and goodness moves also in the human soul. The question is how do we aid it to overcome our violent infatuation with material possession. Paying our due Zakât, for the pleasure of God, is the divine answer. It purifies the soul by cleansing it of its base sentiments of cupidity and material obsession. It is this that allows us to stand upright with belief. Allah tells us in the Quran:

➡ Even so, O believers, you shall never attain to 'the highest' virtue 'of faith' until you spend 'in charity' from that which you love. (Âl 'Imrân, 3:92)

3. *Zakât is a Cure for the Love of Worldly Things*

Accumulation of wealth enables one to spend it on worldly diversion and objects. The nature of material attraction, says late Austrian translator and commentator Muhammad Asad, is such that one object is desired and acquired only to make room for the next desired object:

At no time before this had greed outgrown a mere eagerness to acquire things and become an obsession that blurred the sight of everything else; an irresistible craving to get, to do, to contrive more and more—more today than yesterday, and more tomorrow than today: A demon riding on the

necks of men and whipping their hearts forward toward goals that tauntingly glitter in the distance but dissolve into contemptible nothingness as soon as they are reached, always holding out the promise of new goals ahead—goals still more brilliant, more tempting as long as they lie on the horizon, and bound to wither into further nothingness as soon as they come within grasp. (Asad, *The Road to Mecca*, 310)

It is a bitter, never-ending cycle existing only to make one lose sight of man's real destination: The Hereafter. Zakât helps break that cycle by forcing one to spend money on things that bring to him directly no purely worldly benefit.

4. ***Zakât Trains One to Give***

By paying Zakât every year, one develops a habit of giving and helping the poor. It is likely that this will become permanent, and one will continue to help those in need with Zakât and *ṣadaqah* (voluntary charity).

5. ***Zakât Trains One to Mirror Divine Qualities***

One of Allah's divine attributes is *absolute* mercy. By giving Zakât and helping the destitute, one nurtures a disposition of mercy and compassion toward others, and the soul rises above the lowly, animalistic nature of covetousness.

6. ***Zakât as an Expression of Thankfulness to God***

By paying Zakât out of sense of submission to Allah, one expresses thanks and gratitude to Him for the material blessings He has bestowed. For it is God who makes one poor or rich. The great legist and mystic Al-Ghazâlî says that one offers thanks to Allah for the bounties of creation (such as health) by praying, and shows thanks to Him for the bounties of material wealth by paying Zakât on it (*Fiqh az-Zakât*, 541).

7. ***Zakât Improves Ties of Mutual Love***

People love those who do good to them for the sake of God. Zakât helps the poor appreciate the rich for their giving and praying for them, while it teaches the rich to soften their hearts and show concern for the poor. Thus

Zakât bonds the two parties together by increasing their mutual appreciation.

Tell Me Again How Zakât Will Help My Wealth.

Zakât will purify, protect, and augment the wealth on which you pay it.

The Prophet ﷺ said:

Pay Zakât from your property, for, very truly, it is a purifier that purifies you. Moreover, be kind (by supporting) your (needy) relatives, and acknowledge the (charitable) rights of the poor (on you), as well as neighbors and beggars.” (Musnad Ahmad)

How Can Zakât ‘Increase’ My Wealth When I Pay It ‘from’ My Wealth?

Zakât may seem to reduce wealth, but, in fact, it brings blessings and prosperity to wealth. Allah, Exalted and Transcendent, is the only Giver of wealth, and He alone increases it for whomever He chooses:

➡ Say [to them, O Prophet]: Indeed, it is my Lord [alone] who extends [abundant] provision to whomever He so wills among His servants. And He [alone] restricts [it] for whomever [He so wills]. So whatever [sum] you may spend from anything [for the sake of God], He shall replace it [for you here and reward you for it in the Hereafter]. For He is the very best of providers. (Saba’, 34:39)

Thus it is miserliness and non-payment of Zakât that will deprive you of God’s blessings on *His* wealth, and consequently put you at risk of loss and calamity.

➡ For blessed is whatever you give of the Zakât-Charity—desiring [only] the Face of God. For it is such as these who shall have a [much] multiplied reward. (Al-Rûm, 30:39)

3. Zakât and Social Justice

What Can Zakât Do for Society?

One of the Quran's major themes is social justice for those whom society disadvantages and compassion for the vulnerable. God says in the Quran:

➡ As for the believing men and the believing women—all [of them] are allies of one another. They enjoin what is right and forbid what is wrong. Moreover, they [duly] establish the Prayer, and give the Zakât-Charity, and they obey God and His Messenger. It is these upon whom God shall have mercy. Indeed, God is overpowering, all-wise. (Al-Tawbah, 9:71)

What Does the Mention of Zakât in this Verse Mean?

Mention of Zakât here is significant. It points to the characteristics of a fully functional (and fully human) community, promoting care and love between each other by (a) guaranteeing justice unto the least of them, while (b) shielding the weak from injury. This two-part functionality is then directly pinned to raising one's spiritual consciousness through the Salât-Prayer and raising one's social consciousness by paying the Zakât-Charity. These special items—among all the commands of Allah and His Messenger ﷺ—Allah has highlighted for scrupulous maintenance.

This is no utopian call. On the contrary, it is a mini-

mun acceptable moral standard for a working human community. Zakât plays a key role in bringing about such a model society. It not only enshrines the right of help for the community's needy, facilitating ongoing support from the rich to the poor, but, in so doing, it builds a relationship of consideration and appreciation between society's members.

How Does Zakât Help Create Community?

Is It True that Islam Praises Anonymous Charity?

Yes. Islam places a great premium on charitable giving that preserves the dignity of those who receive charity. Islam teaches that giving in secret is far superior to public giving, and that drawing attention to one's charitable acts is a highly undesirable quality.

In Islam, every able-bodied man is ordered to work to fulfill his own needs and his family's. In the event that one is not able to work, then one's wealthier relatives—beginning from one's nearest kin and moving outward—are responsible for one's support.

But What if One Is Unable to Work and Has No Capable Relative to Support Him? And Who Is Responsible for the Uncared for Orphan, Widow, and Elderly?

Charity is the substance that binds every Muslim to every other by way of their obligation to one another in God. Islam

builds its community out of human obligation toward each other, making each Muslim accountable for the wellbeing of every other Muslim. This concept of reciprocal social obligation is called *takâful*, meaning "mutual responsibility," and it is strongly bolstered by the fact that the Zakât-Charity is an act of mandatory worship. The tenet of mutual responsibility helps Muslims envision their society like an extended family.

Throughout our history, whenever Muslims sincerely systematized the Zakât obligation, as Allah and His Messenger ﷺ have ordained it, Muslims worked something on the order of social miracles. Societies flourished. Communities flowered. Individuals thrived.

How Does Zakât Help Mold Society Into a Family?

Zakât awakens the individual's social spirit with the truest practical expression of brotherhood. When Muslims pay Zakât, the society behaves exactly like a family, the able helping the incapable, one upholding all. Said the Prophet ﷺ:

The believers—in their kindness, compassion, and empathy for one another—are as a single body. When one limb is afflicted, the whole body responds to it with sleeplessness and fever. (Bukhârî and Muslim)

Zakât spreads tranquility and peace in society because it secures the weak and their dependents with the guarantee of *certain* provision, shelter, and access to essential communal facilities. The magic of Zakât is not only that it links one to others by a sense of personal responsibility, but that it binds everyone to the individual through an obligation of sufficiency. There is no greater bulwark against social disintegration.

Is Zakât a Kind of Welfare System?

Yes. Zakât is, in fact, the first known system of community-wide welfare regulated as a social support network for those in need. It is a meaningful institution with a clearly defined religious-social-economic mandate. Its rules, regulations, struc-

Charity & Celebrity

The Companion Sa'd ibn Abî Waqqâs رضي الله عنه says the Prophet ﷺ said:

Allah loves the God-fearing rich man who [gives much in charity but still] remains obscure and uncelebrated. (Muslim)

Like Water for Fire

The Prophet ﷺ said:

Fasting is a shield and charity extinguishes sin like water extinguishes fire.

(Sahîh Al-Targhîb wa Al-Tarhîb)

tures, standards, and specific functions are well-established. It does not depend on voluntary charity, and its collection is enforceable by society.

The Zakât system revealed by God and instituted by the Prophet ﷺ was complete and functional among Muslims in the Seventh Century. Within a few years of the Prophet's migration to Madinah, the Zakât system had become so effective that very few people even needed it. For one of the vir-

Three Things that Perfect Giving Charity

The Learned Muslim Ja'far ibn Muḥammad once counseled Ṣufyân Al-Thawrî:

Three virtues perfect one's charity:

- ✦ Giving it quickly
- ✦ Seeing it as meager in your eyes, no matter how great its amount
- ✦ Giving it in secret

(*Sifah Al-Ṣafwah*, 2:160)

tues of Zakât is that in providing for the poor and linking each to all and all to each, it enables people to separate themselves from those social practices that guarantee the impoverishment of some.

It took more than 13 centuries after the Prophet ﷺ for Europe (and by that time America) to even address poverty systematically with some effectiveness. Not until 1941 did England and the United States initiate a worldwide agreement for governments to respect and warrant the social welfare of their nationals. Yet even then beliefs imbedded in capitalist

and communistic economic theory made it a certainty that global poverty would increase to the civilization- and ecology-threatening proportions we live with today.

What Else Is Needed Along with Zakât to Establish the Economic Aspects of Social Justice?

Economic justice and the fiscal well being of all members of society requires an understanding that worldly wealth resources are, by definition, limited. So, material philosophies

that espouse “infinite growth” theories are part of the problem. Fairness in wealth, according to Islam, therefore, pivots on three critical factors:

1. Lawful income (that is, earnings derive from activities God has permitted).
2. Equitable distribution of wealth.
3. A safety-net system that guarantees the necessities of life to the poor and needful.

Zakât relates directly to factors 2 and 3.

Is Earning a (Lawful) Living Obligatory?

God requires man to work for economic self-sufficiency, every family seeking provision to sustain itself. Together, people are also to secure the general wellbeing of society. Toward this end, the Quran instructs Muslims to go forth in quest of Allah’s unlimited bounties, after having attended to their Prayers.

➡ Thus when the Prayer is concluded, then ‘you may freely’ spread throughout the land and seek out the bounty of God. (Al-Jumu‘ah, 62:10)

Highlighting this point, the Prophet ﷺ once said: “Earning a lawful livelihood is obligatory upon every Muslim,” and further elaborated by saying: “A man earns no better wage than what comes from his own labor” (Ibn Mâjah, No. 19520).

The great Companion and second Caliph of Islam, ‘Umar ibn Al-Khaţţâb, echoed this when he said: “Let none of you refrain from seeking a livelihood and then say: ‘Allah! Give me sustenance.’ For the sky will certainly not rain gold and silver.” He said, as well: “Seek of the bounty of God, and be not a burden on another” (Al-Qurtubî, *Jâmi‘ Bayyân al-‘Ilm wa Fađluh*, 2:15).

So it is the personal obligation of every Muslim man to earn a living from a legitimate source of income and to support himself and his family.

How Can Wealth Be Distributed Equitably?

Resources are not only gifts from God to all human beings but also a trust. Accordingly, Islam emphasizes an equitable distribution of income and wealth for the fulfillment of the needs of everyone. As a consequence of the application of one's skills and efforts, one's birth, location, and timing, and other factors extreme inequalities emerge between people. In the absence of adequate social restraints and mechanisms for re-distribution, wealth invariably concentrates in the hands of a few. To counter this, in part, God has enjoined the believing society with strict laws of inheritance and public disbursement of windfalls, establishing the institution of Zakât to redress extreme or highly skewed inequalities of income and wealth. As God states it in the Quran:

➡ So that [wealth] does not merely circulate between the wealthy among you. (Al-Hashr, 59:7)

What is Islam's Economic Safety-Net?

In every society, there are those who may find it hard to earn a living through their own labor, whether owing to disability, lack of opportunity, or depressed production or wages. Islam addresses this by making helping the needy an individual *and* collective responsibility, first within Muslim families and society, and then through the global Muslim community at large. Moreover, it forbids, in the strongest and broadest terms, stigmatizing the destitute or blaming them for their condition (Qurayshî, *Annual Zakât Computation Guide*, 9-13).

Has the Practical Application of Zakât Ever Had Significant Results in a Society?

Islam's history bears authentic witness that the Quran's injunctions in behalf of the poor, as well as the instructions of the Prophet ﷺ, did not fall on deaf ears. For more than a millennium after the advent of Islam—until Muslims lost the power to uphold and systematize these tenets in their own societies—the practical implications of Islam's ethical

pronouncements on wealth had an enormous effect. Islam nearly eradicated poverty from some Muslim societies. So few were the poor that the wealthy felt happy and privileged to find needy people willing to accept their charity, for it gave them the opportunity to serve God.

The Prophet ﷺ had foreseen that such circumstances would come to pass among Muslims, so he would say to his Companions:

Give charity, for the day comes when a man walks with his charity (in hand), but finds none to accept it—when a man shall say: ‘If only you had come [to me] with it before this, I would have accepted it. Yet today, I need nothing.’ (Bukhârî)

Muslims were themselves greatly impoverished at the time the Prophet ﷺ was exhorting them thus. This shows the premium that Islam places on giving charity and paying Zakât, even if one is him- or herself financially pressed. Moreover, there are indications elsewhere in the Prophet’s teachings that a time when there are none to accept our charitable offerings will come again.

For precisely as the Prophet ﷺ said it would happen, such were the conditions during the era of the Caliph ‘Umar ibn ‘Abd al-‘Azîz. Al-Bayhaqî, a scholar of prophetic traditions, reports in his work, *Al-Dalâ’il*, (*The Proofs*) that ‘Umar ibn ‘Abd al-‘Azîz ruled Muslims for 30 months. During this time, rich men used to come to the state treasury, known as *bayt al-mâl*, with great amounts of money, saying: “Spend this on the poor.” But they would return to their homes with their charity in hand, for it was said to them: “There are no poor that we know of” (*Umdat Al-Qârî*, 16:135).

Yahyâ ibn Sâ‘îd said:

‘Umar ibn ‘Abd al-‘Azîz sent me to Africa to collect Zakât from the rich and return it to the poor of that land. But after we collected it, we could not find a single poor one [to give it to]. Nor could we find any who would take this wealth from us. ‘Umar [ibn ‘Abd al-‘Azîz] had made all

the people self-sufficient....So we bought slaves (in Africa) with the Zakât we had collected and freed them.” (*Sîrat ‘Umar ibn ‘Abd al-‘Azîz*, Ibn ‘Abd al-Hakam, 59)

Another narration shows further evidence of the benefits of Zakât, which took place some generations before

Charity and Coolness on the Day of Judgment

The Prophet ﷺ said:

Seven shall Allah shade in His Shade on a Day when there shall be only His Shade: ... (among them is) one who gave charity so secretly, his left hand knew not what his right hand spent therein.

(*Bukhari & Muslim*)

the time of ‘Umar ibn ‘Abd al-‘Azîz. When the Prophet ﷺ sent Mu‘âdh ibn Jabal to Yemen to represent him and govern, he ordered him to specifically take the Zakât due from the rich and return it to the poor there. The first two caliphs, Abû Bakr and ‘Umar ibn Al-Khaţţâb, continued Mu‘âdh’s appointment during their rule. After only a few years under Mu‘âdh’s guidance, the number of poor in Yemen who needed Zakât had diminished greatly. So he sent the residual Zakât on to Madinah, the seat of government during the time of ‘Umar ibn Al-Khaţţâb. When ‘Umar received the Zakât money from Yemen, he was

disturbed and told Mu‘âdh:

We did not send you as a tax collector, but to take from the rich their Zakât-dues to return them to their [own community’s] poor. Mu‘âdh replied: ‘I would have sent you nothing had I found [any others] who would take the [remaining] Zakât-Charity from me.’

The amount Mu‘âdh sent to Madinah was nearly a third of what he had collected. Three years later, Mu‘âdh reported to ‘Umar that he could not find even a single person to take Zakât from him. So he sent all the Zakât he collected by the treasury (*bayt al-mâl*) in Yemen to Madinah (*Al-Amwâl*, 596).

So, the Zakât system of caring for the poor in Muslim lands was astonishingly effective. One reporter recounted a letter written by ‘Umar ibn ‘Abd al-‘Azîz to ‘Abd al-Ḥamîd ‘Abd Al-Raḥmân, the Zakât collector for Iraq. He instructed him to give the poor their due from the funds. ‘Abd al-Ḥamîd wrote back to ‘Umar stating that he had given full Zakât funding to all the deserving poor, but a great deal of Zakât funds remained. ‘Umar directed him to seek out those who had outstanding loans and give them enough Zakât funds to pay off their loans. ‘Abd al-Ḥamîd did so, then wrote back saying, the treasury was still over-flowing with Zakât funds. Again, ‘Umar wrote him: “Seek out all the unmarried men without money, and pay the bride-dowries (*mahr*) for whomever of them desires to marry, that they might do so.” ‘Abd al-Ḥamîd did as asked and wrote back: “I have helped every unmarried man that sought to marry and paid for his marriage. Still a great amount of Zakât funds remains in the treasury.” ‘Umar instructed him to identify those paying *kharâj* (a special land-tax) and to give them goodly loans to better their farms, not to be repaid for up to two years (*Al-Amwâl*, 256).

When the economic and philanthropic tenets of Islam were permitted to function (or when Muslims insisted on implementing them), people lived in abundance and sought no excess wealth. For a thousand years, wherever Islam flourished, poverty fell to nearly negligible levels. Muslims and non-Muslims dwelled together in economic justice,

Can Charity Save Me in the Hereafter?

The Prophet ﷺ said:

Avoid Hellfire, if only by a piece of a date (you give in charity). (Bukhari, Muslim)

Will Charity Help Me in this World?

The Prophet ﷺ has told us that Allah has called out to us:

Spend [in charity], O son of Adam, and even so shall Allah spend on you! (Bukhari, Muslim)

satisfied with whatever God gave to them (see Jassem, *Islamic Perspective on Charity*, 93–95, for more on this).

Will Zakât Cure Poverty if We Partially Abide by Islam’s Injunctions?

If a Muslim society does not apply the comprehensive economic injunctions of the Quran and the Prophet ﷺ, the Zakât-Charity alone will not be enough to recreate poverty-free societies, as we have just described. We have plenty of examples of this insufficiency in the Muslim societies of our times—(societies that, for the most part, do not even structure the Zakât institution properly!) Yet were Muslims to prudently apply the principles of Zakât in a current Muslim country, it would not, in isolation of all other factors, cure poverty. Zakât is *part* of a godly economic outlook on, and practice in, the world. For example, Islam forbids extravagance, whether or not one is rich or poor. Thus owning utensils made of gold and silver, or residing in ostentatious homes, is considered excessive, even forbidden.

In addition, Islam also forbids earning interest. Rather, it inspires human beings to work for their money, not to live off the incurable debt and financial misery of others. Moreover, Islam calls upon the rich to employ the poor. So the narratives of Zakât’s amazing historical success that we have just recounted demonstrate the great efficacy of the Zakât-Charity system at work *within* the spiritual-moral context of Islam’s other economic injunctions; among people who have internalized its concepts of selflessness, self-restraint, conservation, sufficiency, contentment, modesty, extended family and familial responsibility, and love of the poor; and, above all, amid societies whose members are resolutely committed to upholding the divine covenant of all Muslims to implement and secure the individual believer’s unfettered right of total worship.

4. Zakatable Wealth

What Does the Word ‘Zakatable’ Mean?

The term ‘zakatable’ is a special word that Muslims who speak English have coined denoting “wealth and property that one must rightfully pay Zakât on.” Its negation is the term ‘non-zakatable,’ which indicates wealth and property that is not rightfully subject to the sacred alms of Zakât-Charity.

What Are the Categories of Zakatable Wealth?

All possessions can be classified into either Zakatable or Non-zakatable wealth. For the purpose of Zakât calculation, Muslim scholars have established five categories of zakatable wealth:

1. **Personal Zakatable Wealth:** This includes money on hand and in bank accounts, stocks, and money held in retirement and pension accounts.
2. **Business Zakatable Wealth:** This is further classified in two categories:
 - a. Trading goods that include business lists of goods in stock.
 - b. Exploited assets such as rented properties and factories.
3. **Agricultural Produce:** This, too, is further classified

in two categories:

- a. Crops from irrigated land, wherein the irrigation system entails costs and labor.
 - b. Crops from non-irrigated land watered by rain or natural springs.
4. **Livestock:** Animals raised for commercial purposes—primarily sheep, goats, cows, and buffaloes.
 5. **Treasure Troves (*rikâz*):** This includes valuables that people have buried and left, natural resources, such as oil, precious metals, and gemstones. It can be classified more specifically as:
 - a. Hidden windfalls and discovered fortunes
 - b. Oil and mining

What Constitutes Non-Zakatable Wealth?

In general, Zakât is calculated on personal net worth, excluding properties and items for personal, family, and commercial use. Public properties are also non-zakatable. Below is a partial list of wealth that is Zakât-exempt:

1. **Property for Personal, Family, and Commercial Use**

This category contains seven primary kinds of wealth:

- ❖ **Food:** As stored for consumption by an individual or family.
- ❖ **Clothing:** All personal and family apparel.
- ❖ **Residence:** The domicile owned and occupied by the owner, including furnishings, utensils, and apparatus used for basic needs and necessity.
- ❖ **Transportation:** The means of personal and family transport, such as vehicles used by an owner and family members.
- ❖ **Domestic Animals and Poultry:** If used for household food and needs, one may own kinds and quantities in this category as follows (Note: the following numbers of animals for personal use and

consumption are based on one Zakât payer. If more than one Zakât payer domicile together, or keep their animals and land collectively, the numbers would increase accordingly):

- a. Cows (bovines): 1-29
 - b. Sheep, goats (ovine): 1-39
 - c. Poultry (chickens etc.): Unlimited
(household needs only)
 - d. Personal Use (pets, horses, etc.): Unlimited
- ❖ **Tools:** Devices, instruments, and equipment used in one's personal business.
 - ❖ **Agricultural Land:** The land itself, animals, and equipment used in cultivation.

2. **Property in Public Trust**

Properties used for mosques, schools, hospitals, orphanages, etc.; those designated for endowment (*waqf*) for the benefit of the needy; and the funds generated from such properties—all are non-zakatable (*Fiqh az-Zakât*, 338).

3. **Unlawful Wealth**

Only lawful assets are worthy of the blessing of Zakât. Zakât cannot be calculated on prohibited or unlawful wealth, such as interest income, stolen property, or wealth acquired or earned through unlawful means, such as extortion, forgery, bribery, monopoly, and cheating. Such wealth must be returned in full to its lawful owners. If that is impossible, it is to be given away to the poor in its entirety (*Fiqh az-Zakât*, 72).

5. Zakât's Conditions

When Does Zakât Become Obligatory?

Zakât falls due when three conditions converge in a person and his wealth:

1. One is a Muslim.
2. One's zakatable wealth rises to a minimum threshold (*niṣāb*).
3. A lunar year (*ḥawl*) passes while one's zakatable wealth sustains the minimum threshold.

Is Zakât Imposed Only on Muslims?

Yes. The wealth of non-Muslims, even if they are citizens of an Islamic polity, is not subject to the Zakât-Charity because Zakât is, first and foremost, an obligatory Pillar of worship, and Islam famously forbids any compulsion when it comes to acceptance of it as one's religion.

Is the Wealth of Muslim Minors Subject to Zakât?

Yes. Adulthood, unlike Islam's other religious obligations, is not a limiting condition for Zakât. Since Zakât is the right of the poor *in the 'wealth'* of the rich, neither age nor mental competence applies. *Zakatability*, meaning the three conditions making Zakât on wealth due, is the only prerequisite for its payment, whether an adult, a minor, or the insane hold it. The guardian of a child, an orphan, or a mentally incompetent person is obligated to pay Zakât on their behalf from their wealth if it is at or above the minimum

threshold (*nişâb*) (*Fiqh-us-Sunnah*, 9; *Fiqh az-Zakât*, 57).

Is Zakât Imposed on Any Amount of Wealth?

No. Zakât is due only on zakatable wealth that reaches an established minimum threshold for that particular kind of wealth. That threshold is called *nişâb*, literally, ‘origin,’ or ‘beginning,’ for it is the amount wherein the poor’s right in one’s wealth commences. Different types of assets have different thresholds. For example, the *nişâb* on money is 85 grams of gold (approx. 3 OZ US; 2.74 TROY OZ). The *nişâb* on cows is 30 cows. The *nişâb* on grain is 653 kilograms (*Zakât Calculation*, 46). If the quantity of the zakatable possession is less than its prescribed *nişâb*, it is exempted from Zakât. The table below illustrates the *nişâb* and Zakât rates, for each category of zakatable wealth.

Table of Nişâb and Zakât Rates

| TYPE OF WEALTH | NISÂB (read as <i>value of</i>) | ZAKÂT RATES |
|---|-------------------------------------|------------------------------------|
| 1. PERSONAL WEALTH | 3 US OZ PURE GOLD | 2.5% |
| 2. BUSINESS WEALTH | 3 US OZ PURE GOLD | |
| ♦ TRADE GOODS | | 2.5% CURRENT WHOLESALE VALUE |
| ♦ EXPLOITED ASSETS | | 2.5% NET INCOME |
| 3. AGRICULTURAL PRODUCE | 653 KG/1439 LBS | |
| ♦ CROPS (IRRIGATED) | | 5% OF HARVEST |
| ♦ CROPS (NON-IRRIGATED) | | 10% OF HARVEST |
| 4. LIVESTOCK | OVINE: 40 BOVINE: 30 | See Special Zakât- Rate Table |
| 5. TREASURE TROVES HIDDEN WINDFALLS & NATURAL RESOURCES | 3 US OZ PURE GOLD | 20% |

Can Nişâb Be Equated with the Poverty Line?

Niṣâb is not to be confused with the minimum standard of living, poverty line, or exemption limit. It is a well-defined term in the Sharīʿah:

Niṣâb is the specific minimum amount in each zakatable category of wealth used for the purpose of calculating Zakât.

Some mistakenly define ‘*niṣâb*’ as “an amount which is sufficient to sustain the minimum average family for one year.” This is unequivocally wrong. The Prophet ﷺ said in one report (strengthened by others): “From gold, take nothing until it reaches 20 dinars. At 20 dinars, there is a half dinar due” (Ibn Ḥazm, *Al-Muḥalla*, 6:69, see *Fiqh az-Zakât*, 161). Based on *ḥadīth* similar to this one—but especially on the practice of the Companions and the consensus of Muslims of the early generations—the *niṣâb* of gold or money counted for Zakât is 20 dinars, equivalent to 85 grams of pure gold (*Fiqh az-Zakât*, 168).

Niṣâb is calculated on a possession that remains with one on a zakatable category of wealth after one fulfills all basic living expenses for an entire lunar year. This excludes all existing necessities, such as one’s residence, vehicle, stored food, clothes, and furniture. So if someone makes a large sum of money and spends it all on basic needs—without unnecessary luxury—no Zakât is due at the end of the lunar year. If, however, he or she saved part of that money in that lunar year, then Zakât is payable on that remaining amount, provided it equals or exceeds *niṣâb*. To confuse *niṣâb* with the faulty definition of an average family’s yearly need—an idea

When Less Is More

The Prophet ﷺ said:

A [single] dirham surpasses a hundred thousand dirhams.

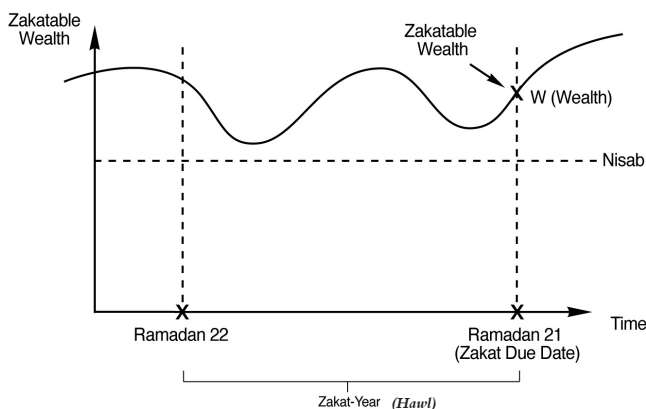
A man asked: ‘How could this be, O Messenger of Allah ﷺ?’ The Prophet ﷺ said: A man of great wealth spends a hundred thousand dirhams from it in charity, while a man with only two dirhams gives one of them in charity.

(*Nasâ’i, Ibn Khuzaymah, Ibn Hibbân*)

accepted by no recognized scholar—is to equate Zakât with a government tax.

Can Different Types of Assets Be Added Together and Zakât Imposed If the Total Value Reaches Nişâb?

No. The Sharīʿah does not support this method of calculation. If a person owns money and cattle, for example, but neither of them constitutes a *nişâb*, he or she should not combine the two in order to generate a *nişâb*. One is, of course, free, and, indeed, encouraged to give as much as possible charitably. But Zakât on each type of asset is calculated separately. If one owns, for instance, four cows and more than 85 grams of pure

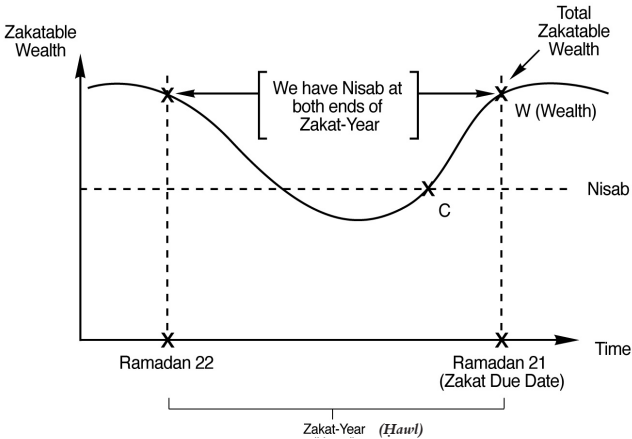


Graph 01, the image above, indicates that if *nişâb* is maintained throughout an entire Zakât-year (*hawl*)—that runs, for example, from Ramadan 22 to Ramadan 21—then Zakât is payable on all remaining wealth you have on the Zakât Due Date (ZDD), Ramadan 21 in this example. This represents the total zakatable wealth amount at “W.” Fluctuations in *nişâb* throughout the year have no impact on total zakatable wealth (“W”) at all. The passage of the year is required only from the initial period of sustained *nişâb*, according to the three *madhâhib* (Schools of Jurisprudence), with the exception of the Ḥanafī school. The Ḥanafī school requires *nişâb* only at the start and end of the Zakât-year. *Nişâb*, in this opinion, need not be maintained throughout the entire Zakât-year. This opinion is represented in Graph 02 on the facing page.

gold, or an equivalent in money, then he or she gives no Zakât on the cows, but pays Zakât on the gold or money. Now, the same type of wealth must be added together and zakatability assessed on the total. To give a very common example, all sources of money must be added together—savings, gold, stocks, etc.—and Zakât paid if the total reaches *nişâb* (*Zakât Calculation*, 48).

How Does One Calculate the Passage of One Lunar Year?

A minimum of *nişâb* must have amassed and stayed in one's possession for one full lunar year (*ḥawl*) before Zakât is due. According to Abû Ḥanîfah, *nişâb* need only be available at the beginning and at the end of the Zakât year. The other three



In the above image (Graph 02), the Ḥanafî position is that if *nişâb* is present with one at the start and end of the Zakât-year (*ḥawl*), one owes Zakât at “W” in the graph, which is all remaining (zakatable) wealth at the Zakât Due Date. Any interim fluctuation of wealth, even below *nişâb*—even if that condition lasts for the entire Zakât-year, except the starting and due dates—has no effect on *nişâb*. According to the other three schools, if wealth dips below *nişâb*, you begin a new Zakât-year from the date when *nişâb* accrues to one again, represented by “C” in the graph. Practically speaking, most Muslims in America possess *nişâb* at all times. So, we recommend assigning a specific Hijrî date as a Zakât Due Date (Ramadan 21 in the above example), filling out the Zakât Calculation Worksheet on this date each year, and paying due Zakât at this time.

major schools require that *niṣâb* remains in ownership during the entire lunar year (*ḥawl*), not dipping below that threshold. This ruling is limited to livestock, money, and business assets. It does not include crops, fruits, honey, metals, and treasures. They are zakatable, and their Zakât comes due, when they are mined or harvested (*Fiqh az-Zakât*, 95-96, 98-99).

Is It Permissible to Give Openly?

The Prophet ﷺ said:

Whoever initiates a good practice gains his reward and the reward of all who follow his example, without this decreasing their reward in the least. And whoever initiates a bad practice gains its sin and the sin of all who follow his example, without this diminishing their sin in the least.

(Muslim, Book 34, No.6466)

Zakât becomes due after the passage of 12 full lunar months (*ḥawl*). This can be determined either from the beginning of ownership of the *niṣâb* in a category of wealth, or the past date of one's Zakât payment on that category. Thus to say that the passage of a lunar year is required on all zakatable wealth is incorrect. It is required only on *niṣâb*. Any increase of wealth—after it reaches its *niṣâb* at any time during the year—must be included in the zakatable amount if that increase is maintained with one until the Zakât due dates fall. So, the relevant standard of measure

for the *niṣâb* is what is present at the Zakât due date, not the fluctuations during the year (see graphs on previous page).

Can You Clarify this and Give Examples?

Any fluctuation during the year above *niṣâb* is not relevant to paying Zakât, as long as one maintains *niṣâb*. For example, If one earns \$5,000 the day before the Zakât due date, one pays Zakât on the total amount that remains in one's possession on the Zakât due date.

So in the case of a person who owns 35 cows (bovine) on the Zakât due date, who maintains the *niṣâb* of 30 or more cows throughout the 12 lunar months in their

entirety, Zakât is due on all 35 cows. (This is considered the most applicable method and strongest opinion, held by the majority of scholars. Shaykh Yusuf al-Qardawi argues that the requirement of the passage of one year is not necessary on earnings or other zakatable wealth that is acquired and added to *nişâb* (*Fiqh az-Zakât*, 310, 313, 316, 321–325). In fact, all four Schools of Law concur, provided *nişâb* is maintained.

Likewise, for merchants and businessmen possessing *nişâb* from the first day of establishing their business, their Zakât is due on exactly one lunar year from that date.

Can You Recommend How I Should Calculate My Zakât Year?

A lunar year's full cycle must elapse on *nişâb* for Zakât to come due. This means the Zakât-year can differ for people (and, possibly, for one person's various wealth forms). However, considering that almost everyone possess *nişâb* for the entire year on the most common category of wealth (money), for most of us the only practical way to compute Zakât is to specify a certain lunar calendar date and calculate your zakatable wealth on that day, and then pay Zakât annually on the same lunar calendar date every year. The 1st of Ramadan, 27th of Ramadan, and 1st of Muḥarram are all popular Zakât due dates (ZDD). Many pay their Zakât during Ramadan for the blessing of it. Others favor Muḥarram because it is the first month of the Hijrî, lunar year. If, however, a Muslim polity centralizes Zakât collection and distribution, Zakât must be paid in the month determined by the legitimate authority.

6. Zakât Assessment

Who Made the Rules of Zakât?

The rules of Zakât assessment on various types of wealth are bound by underlying principles revealed by God in the Quran. These principles are themselves proof of the Quran's divine revelation, for they point to the timeless wisdom of the Law Giver. The Prophet ﷺ, as the one who knew the Quran best and embodied it, detailed the Zakât commandments by example and statement. Muslim jurists in nearly every generation have re-articulated these principles and prophetic model for the believers with great clarity.

What Is Zakât Payable On?

As stated in Chapter 5, Zakât is payable on five types of material wealth (see table, p. 43):

1. Personal wealth and assets
2. Trade goods and exploited assets
3. Agricultural Produce
4. Livestock
5. Treasure Troves

Also, there are three major conditions for Zakât on these types of wealth:

1. Sole, exclusive ownership

2. Growth (actually or potentially)
3. Passage of a Zakât-year

Can You Clarify These Conditions?

“Sole, exclusive ownership” means that no one else has a share in the material possession, and that the owner can dispose of it at will.

“Growth” means that the material possession may grow (or have the potential to do so) either by business or biology. So money is subject to Zakât (since it can be in-

When Giving Is Keeping

Once, Al-Aḥnâf ibn Qays saw a dirham in a man’s hand and asked him:

Who is this dirham for? The man said: ‘For myself.’ Al-Aḥnâf said: Then never shall it be truly yours until you give it away in a manner that it brings you both divine reward and [a poor one’s] appreciation.

vested). So are crops and livestock (which grow, produce, or reproduce). These possessions are called growth assets because they can increase or generate income.

Passage of a Zakât-year means that the material possession remains with one after all basic living expenses are paid for during a complete 12-month lunar year. This is called a *ḥawl*, or Zakât-year. So, in the case of income, Zakât is due—not on gross income itself—as with contemporary taxes, but on disposable income; that is, on income that exceeds one’s essential needs and the essential needs of one’s de-

pendents during the Zakât-year.

What Is A Trade Good?

A trade good is something one acquires and intends to sell for a profit. It is not something one obtains for personal or household use. It is a thing that must be either bought or sold for the purpose of profit. It is zakatable only once in the

Zakât-year and fits all the other conditions of Zakât of any other zakatable wealth.

Are Assets Used for Growth that Are Not Trade Goods Subject to Zakât?

Yes. These are called “exploited assets” and are considered a form of business wealth. While trade goods are themselves transferred to other parties (in a sale), exploited assets remain with the owner as permanent capital. They are possessions obtained, not for resale, but to generate income and to provide benefits to their owners. These include assets rented for profit, such as residential buildings, means of transportation, and anything rented out for profit. They also include producer animals, sheep for wool, cows for milk, bees for honey. The asset itself is not subject to Zakât, but the “growth” or profit from the asset is zakatable (*Fiqh az-Zakat*, 291).

Are Fixed Assets Subject to Zakât?

No. A fixed asset is one that is not itself income generating but helps other assets generate income or produce. So store fixtures, computers, tables, even buildings or machinery that are not generating income but merely housing or running one’s business are all Zakat-exempt. The test for whether an asset is fixed or exploited is whether the asset is generating profit in and of itself. So a non-income generating building is a fixed asset (non-zakatable) but a hotel is an exploited asset (zakatable on its net income).

The Worst Companions

The great sage Ḥasan Al-Baṣrî said:

The worst companions are the dinar and the dirham. They only benefit you when they depart.

(*Al-Siyar*, 16:95)

Charity & Poverty

‘Urwah, a woman who served ‘Ā’isha, said:

I witnessed ‘Ā’isha give seventy thousand dirhams away. Yet she would mend her own (worn) garments.

(*Sifah Al-Ṣafwah*, 2:30)

What Is the Zakât on Exploited Assets?

On the growth of an exploited asset, Zakât is assessed after deductions (taxes, wages, debt, maintenance, etc.) based on its appraised value plus the income it generates (figuring in loans to others) and then paid at the rate of 2.5 percent. This means that the passage of a Zakât-year does not apply on individual payments received through rent or on income earned. It

Giving Is Wealth

The Prophet ﷺ once said to his Companions:

Who among you loves the wealth of his inheritors more than he loves his own wealth? They said: ‘Everyone among us...He said: Then, most surely, one’s wealth [in truth] is that which he gives [in Allah’s cause], while the money he withholds will end up with his inheritors.

means that the net earning and value of the asset—even a rental fee that comes in the day before the Zakât-year ends—is calculated and paid on the Zakât due date. The Zakat must be paid on an established annual date in which one pays Zakât on all income.

Is There an Alternative Opinion on Exploited and Fixed Assets?

Yes. The opinion is somewhat involved, but it can be summarized as follows. A quartet of modern *fiqh* luminaries (including Shaykh Yusuf Qardawi from our own time) endorses analogizing the Zakât of exploited as-

sets to agricultural land (with some modifications). But they also add to this the fixed assets of industrial equipment, plants and machinery, on the grounds that they are not tools of a craftsman, but productive and growing capital (see *Fiqh az-Zakât*, 304). Shaykh Yusuf makes a further distinction between these productive assets by categorizing them as “fixed” (the industrial plants, etc.) or mobile (like vehicles or honey producing bees).

The analogy with agriculture is that its land is Zakât-

exempt, but the growth of the land (i.e., the crop) is zakatable at the rate of 10 percent of the net harvest value, if naturally watered, and 5 percent of the harvest profit, if irrigated. So Shaykh Yusuf likens productive exploited assets that are fixed, and fixed industrial assets to the non-irrigated crop Zakât rate (10 percent) “when it is possible to know the net income after deducting costs, as is the case in business corporations.” But if it is difficult to determine net income, then “Zakât is calculated at the rate of 5 percent of the profit” (see *Fiqh az-Zakât*, 305–06) for the exploited assets that are fixed, and fixed industrial assets. He also notes that all forms of productive capital that produce profitable investment, even in the agricultural business sector (this is different than family farming), should be treated like exploited and fixed assets (as, say, rented buildings or factories), using the same Zakât criteria and calculation methods (see *Fiqh az-Zakât*, 241–309).

Giving it All for Allah's Sake

The great scholar Al-Wâqidî said:

The sultan sent me six hundred thousand dirhams and I paid Zakât on nothing of it.

[This means he spent the entire sum in charity and goodly causes, such that none of it stayed with him for even a year, not even 20 dinars worth, which would have warranted his paying Zakat.]

(*Al-Siyar*, 9:467)

Does a Ḥawl have to Pass on All the Profit of a Productive Asset Before It Becomes Zakatable?

No, a *ḥawl*, or Zakât-year, only has to pass on the *niṣâb* of productive assets in BOTH opinions. The practical difference between the two opinions (the latter analogized with modification to agricultural land, the former to income) is only the Zakât rate. But both opinions say that the *ḥawl* need NOT elapse over *all* the wealth before it is zakatable. This is, of course, true for crops, which are due upon harvest, for obvious reasons. But it also holds for other growth-asset

models under these opinions. Their Zakât comes due on the Zakât maturity date. Like the multi-seasonal harvest of a crop, or mined minerals, the collection of productive assets is multiple (throughout the Zakât-year). Therefore, the Zakât must be paid on the accumulated amount on the Zakât due date. The *ḥawl* for all of these must elapse on the *niṣâb* only.

This can be a point of confusion, so it should be emphasized. With (productive) fixed and exploited assets—just like with personal wealth—Zakât is paid on all net income for the Zakât-year. It is paid on the Zakât due date for everything that remains with one after basic living expenses for oneself and one's dependents have been paid out for that year. So a *ḥawl* DOES NOT HAVE TO ELAPSE on each dollar received.

What About Similar Products Not Mentioned in the Table of Niṣâb and Zakât Rates?

GENERAL RULE: *Zakât is potentially due on all products whose sources are not zakatable.*

All types of growth-yields are zakatable, whether or not their origin is subject to Zakât—like crops from land, honey from bees, dairy from livestock, eggs from poultry, silk from silk-

The Ten Gains of a Charity

The sage Abû Al-Layth Al-Samarqandî said:

Give charity, be it minor or major, for in it there are ten gains, five in this life, and five in the Hereafter. As for the five in this life, they are these:

1. It purifies wealth.
2. It purifies its giver of sins.
3. It repels calamity and illnesses, for the Prophet ﷺ said: "Heal your sick with sadaqah."
4. It brings happiness to the poor, and the best acts are those that bring happiness to the righteous, as the Prophet ﷺ has indicated.
5. It brings blessings to wealth and increase in provision.

worms, and so forth. The producers (bees, livestock, poultry, etc.) are themselves Zakât-exempt (unless one is actually breeding the producers for sale or using the producers themselves as trade assets, in which case their Zakât is assessable as a saleable asset, or trade good). Zakât rates vary for different types of wealth, such as money, agricultural products, livestock, and natural resources, as illustrated in the “Table of Nişâb and Zakât Rates” on page 34. Shaykh Yusuf Qardawi assesses the Zakât rate on such yields as 10 percent of net income. Those jurists who consider non-pasturing producers as trade assets assess the Zakât rate at 2.5 percent on both principal and growth (*Fiqh az-Zakât*, 274).

What Zakât Is Due on Personal Wealth?

The most common zakatable wealth is cash on hand and in banks, stocks, and retirement and savings funds. The amount of Zakât due on this wealth is 2.5 percent of its combined total value as of the annual Zakât due date.

Is Zakât Due on Earned Income?

Yes. Earned income is the primary category of personal wealth

The Ten Gains of a Charity

As for the five in the Hereafter, they are these:

1. It shelters its giver from the sweltering heat (on the Day of Judgment)
2. It lightens one's divine reckoning
3. It makes heavy the Scale of one's good deeds
4. It aids one's crossing of the Traverse (bridging Hell that people must pass to enter Paradise)
5. It elevates one's echelon in Paradise.

Bakr Al-Zajjâj said to Ma'rif Al-Karkhî who was ill at the time, “Make a will.” He said:

When I die, give this shirt in charity, for I like to leave this world naked, just as I entered it. (*Wafayât al-A'yân*, 5:232)

today. It includes salaries and professional fees that result from labor and specialized tasks. Whatever of it is spent on personal and family expenses prior to the end of the Zakât-year is not subject to Zakât. But whatever portion of salaries and/or professional fees remains at the end of the Zakât-year is subject to Zakât—*whether or not a full Zakat-year has elapsed over the portion in hand*. On the date the Zakât falls due, whatever portion of the salary or the professional fees are in hand—even if it is a check received

***Charity Given Freely
in Life, When One Has
Need for It, Is Superior
to Charity Given at
the Approach of Death***

The Companion
‘Abd’Allâh ibn Mas‘ûd
ؓ said:

A dirham spent
charitably by any one
of you while healthy
and desirous of it
surpasses a hundred
dirhams he wills away
upon his death.

(*Tanbih al-Ghâfilîn*, 245)

that day, within the Zakât-year—Zakât must be paid on it—so long as the total yearly salary and/or fees exceed the *nişâb*, the monetary equivalent of 3 US oz. of pure gold. This is because those salaries and fees through the year are tabulated cumulatively.

Many modern Muslim jurists and scholars consider net earned income to be zakatable, including ‘Abd Al-Rahmân Ḥasan, Muḥammad Abû Zahrâ, ‘Abd Al-Wahhâb Khallâf, Muḥammad Al-Ghazali, Monzer Kahf, and Maḥmûd Abû Sa‘ûd (Kahf, *The Calculation of Zakah*, 5; Abû Sa‘ûd, *About the Fiqh of Zakât*, 20). Hence, Muslim physicians,

lawyers, employees, etc.—all are subject to Zakât on the income they hold on the Zakât due date without the passage of a Zakât-year. Again, the *nişâb* threshold is that of money (85 grams of gold). The zakatable amount is the residual money left over from earnings at the end of one fiscal year. This does not mean Zakât is due on the flow of income itself during the year. It is applied to whatever remains of one’s annual income at the end of the year (i.e., after taxes and expenses, and in all its forms and places of deposit collectively) (*Fiqh az-Zakât*, 310, 325).

Shaykh Yusuf Al-Qardawi summarized this issue in an opinion published by *Islamonline.com*. He holds that those on salaries can be classified into three groups:

1. Those earning salaries that barely meet their needs, who are not obliged to pay Zakât, unless they save the value of *niṣâb* (or greater) for one year.
2. Those whose earnings exceed their needs, and who save the surplus beyond their living expenses, who pay Zakât on all that remains (whatever its form or place of deposit) on the Zakât due date, irrespective of whether a year has lapsed on all the funds or not. That is, it is considered as a collective amount *for* the year, parceled out *through* the year. Thus it all comes due on an established annual fiscal date.
3. Those earning in excess of their needs—who neither save nor invest their surplus, but spend it, or part of it, instead on unnecessary items and luxuries—whose Zakât remains due in full on the annual Zakât due date for the portion of their annual salaries that exceeded their basic needs during the Zakât-year.

Does One Pay Zakât on Jewelry and Ornaments?

According to the majority of schools, Mâlikî, Shâfi'î, and Ḥanbalî, there is no Zakât on women's jewelry and ornaments, whether they are made of gold, silver, diamonds, pearls, minerals, or precious stones, so long as they are for personal use, not business, such as sale or rental. If such jewelry attains a quantity of extravagance or is used as a store of wealth, then the surplus is zakatable (*Fiqh az-Zakât*, 184, 186–188, 192, 199). The Ḥanafî position is that jewelry is zakatable. This book's Zakât Calculation Worksheet does not itemize jewelry for personal use as zakatable, as with other property for personal use.

Is There Zakât on Retirement Funds (401K, etc.)?

Typically, pension funds such as 401K's are managed as

follows: An employee makes optional contributions to his pension fund. The contributions are deducted from his salary checks. Employers usually contribute to the employee's 401K fund by matching a certain percentage of the contribution made by the employee. This fund grows by contribution and investment and is returned to the employee when he or she reaches retirement age. Until the time of retirement, the fund is managed by an independent agency. The employee cannot use the fund or any part of it at will, since the fund is not supposed to be withdrawn until the time of retirement. However, if the employee must withdraw the money, then that initiates certain procedures. When the money is withdrawn, both tax and penalty are imposed on the amount taken and the employee receives the remaining amount.

According to Shaykh Qardawi, if the contributor has access to the fund and can spend it at will, then Zakât is due every year on the fund, like someone who pays Zakât on loans made to others that are expected to be paid back. However, if one has no access to the fund, then Zakât is to be given only when the money is received, that is, at the time of retirement.

Should 401K and Similar Funds Be Considered Personally Controlled or Beyond Personal Control?

Opinions differ. Some hold it to be under the control of an independent agency and others under the employee's control (minus penalties). It may also be deemed a "good" loan (a debt likely payable in the future).

It seems best for the individual to consider all such accounts—401(k), Keogh, IRA, SEP-IRA, Roth IRA, etc.—as part of personal net worth, as the employee has eventual and determinative access to the funds. As a type of savings, it is zakatable at the rate of 2.5 percent annually (*Zakât Calculation*, 50–52). Usually not all the money is accessible to the investor for withdrawal, up to 50 percent normally being allowed. The following formula, authored by Dr. Salah Al-

Sawy, secretary general for the Assembly of Muslim Jurists in America (AMJA), is suggested: $(WA)-(PP)-(PT)=(ZA)$.

*Withdrawal Amount (MINUS) Prescribed Penalty (MINUS)
Prescribed Tax (EQUAL) Zakatable Amount*

Is Zakât Owed on Stocks, Shares, and Bonds?

Yes. There are two major opinions regarding Zakât on such assets, both concurring that stocks, shares, and bonds are zakatable. Stocks and shares represent ownership of a certain part of the capital of a corporation. Bonds are certificates of a loan borrowed by a government or municipality from the bondholder. A bond is usually paid back at a future point in time with interest.

What Zakât Rate Does the First Opinion on Stocks and Shares Prescribe?

This opinion holds that such wealth is analogous to “produce of plowed land,” and therefore its zakatable portion accrues at a rate of 10 percent of the return. If the owner purchased these instruments with the intention of long-term investment, it is the actual gain—and not the productive capital itself—that is zakatable. So shares of corporations are zakatable at 10 percent on the dividends of these shares. This view also distinguishes between shares and bonds. Bonds are analogous to debts that one can expect to be paid. Zakât, therefore, is payable on them every year at a rate of 2.5 percent. Modern Muslim scholars concur upon this ruling. Most Islamic jurists have also agreed that consideration of the market value of your portfolio is allowable from the beginning to the end of the solar Gregorian calendar year for ease of calculation purposes, but 10.3 percent of the gain should be paid to offset the difference between the lunar Hijrî and solar Gregorian calendars.

What Zakât Rate Does the Second Opinion on Stocks and Shares Prescribe?

This opinion holds that shares and bonds are analogous to commodities purchased for resale like any other business

good. Therefore, their Zakât is calculated at a standard personal wealth rate of 2.5 percent of total portfolio value at the Zakât due date because they are bought with expectation of profit, and readily traded for money. Here stocks and bonds are both treated as “trading assets,” regardless of the economic activity of the issuing corporation. This is the opinion of Shaykhs Abû Zahrâ and Khallâf. Shaykh Qardawi believes that both opinions are sound and suggests that either method can be selected by the Zakât administration or payer.

Note: If the company pays zakât on all shares, the shareholder does not pay zakât because there is no double payment of zakât.

This book endorses the opinion that stocks and shares are trading goods, zakatable at 2.5 percent. The form recommends individual shareholders as the Zakât payers.

Charity Brings Special Bounties from Allah

The Prophet ﷺ said:

Once a man in the woods saw clouds in the sky. Then he heard a voice commanding the cloud to cause rain to fall upon the garden of so-and-so. At once, the clouds began moving. Very soon they were showering their rain upon a patch of land. The man [from the woods], who had followed the cloud, found a man standing in the garden, channeling the water that had pooled there in furrows. The man [from the woods] asked the gardener his name. It was the same he had heard mentioned in the forest. The gardener asked the man why he wanted to know his name. So [the man from the woods] told him what had transpired there. Then he queried him for the secret behind this [miracle]. The gardener said: If truly you desire to know, then truly shall I tell you that whatever grows in my garden, I divide in three parts. A part, I give in charity. Another, I keep for my household and myself. The third, I put back into the garden. (*Muslim, 4:1537, No. 7112*)

Confusion may arise in assessing Zakât on stocks for short-term traders. Recall that the passage of a year is required on *nişâb only*, not all of one's zakatable earnings. So, short-term traders should estimate stock values on an established annual Zakât due date, regardless of stock purchase dates or value fluctuations, and pay 2.5 percent of total portfolio value.

Is There Zakât on Interest Income?

Zakât is due only upon lawful money. Islam holds interest unlawful and bonds earning interest are no exception. Bonds are nonetheless capital owned by people and, therefore, zakatable. The prohibition on accepting interest does not exempt the recipient from paying Zakât on the principle price for which the bonds were originally purchased. Zakât is not calculated on the interest income of the bonds. Rather, all interest income is to be given to the poor (separately from Zakât) with no expectation of divine reward (*Fiqh az-Zakât*, 331-338).

Are Debts Zakatable for Lenders?

Scholars generally classify debt as "good" and "bad," similar to current fiscal credit categories.

1. A good debt is acknowledged by the debtor, who expresses a willingness to pay. Lenders must pay Zakât on good debt every Zakât-year (*ḥawl*).
2. A bad debt will likely not be repaid, either because the debtor is insolvent or he denies a debt for which there is no corroborating proof. The lender does not pay Zakât on bad debt, according to the majority of scholars. But should the lender ever receive repayment on a past bad debt, he is to pay the Zakât due on it for one year only (*Fiqh az-Zakât*, 74-76).

Is There Zakât on Debts for Debtors?

Opinions differ. The Mâlikîs, Ḥanbalîs, and Ḥanafîs hold that debt reduces the zakatable wealth of the debtor by the amount of the outstanding debt. Accordingly, debts are deductible from

assets subject to Zakât (*Fiqh az-Zakât*, 90-94).

Shâfi'îs argue that Zakât is wealth under the payer's control. Therefore, if one has *nişâb* for a Zakât-year one still pays Zakât on the zakatable wealth in one's possession—even if one's debts, were they to be deducted or paid, would consume one's wealth entirely. That is, one pays Zakât on one's eligible wealth, unless one chooses to pay debts before estimating Zakât dues. This concurs with the statement of 'Uthmân ibn 'Affân, third Caliph of Islam, who said in a Friday address (*khutbah*): "This is the month of your Zakât. Whomever of you owes debts, pay them back, that you may commence paying the Zakât on your assets" (*Al-Amwâl*, 437). (Incidentally, the month was either Ramadan or Muḥarram). In another version reported by Mâlik, 'Uthmân reportedly said: "Let one in debt repay his debt, then pay Zakât on his remaining assets" (*Al-Talkhîṣ*, 178). This address came from the pulpit in the presence of many Companions. None objected.

Can the Wealthy Deduct Debt and Not Pay Zakât?

Optimally, if debts come due (or are payable) on or before the Zakât due date, one should repay them and then pay Zakât on all remaining zakatable wealth. Some scholars disallow debt deduction if debt due dates come after the Zakât due date. Zakât is the right of the poor and eligible. It is unjust to incur large debts in extravagance and then invoke debt deductions at the time of Zakât. This, in effect, denies the destitute their basic needs and rights for the sake of one's extravagant lifestyle. If all one's zakatable wealth is paid on without resorting to debt deduction, it will usually not cause a great increase in one's Zakât payment (*Zakât Calculation*, 33-34).

Can an Interest-Bearing Mortgage or Car Loan Be Counted as Deductible Debt?

Emphatically, no! Large-item debt would make a majority of American Muslims Zakât-exempt for most of their earning lives despite ample incomes and lifestyles that—measured against most other Muslims around the world—are lavish.

Such an exemption would substantially deprive the poor from their due share of the community's (*Ummah's*) wealth by unduly shrinking the global pool of Zakât payers. Such loans are surely not deductible. In modern consumer cultures like ours, most people have sizeable running debts. The spirit of the Shari'ah is ease not hardship, moderation not excess. Therefore, it permits deduction of "debts of necessity" not "luxury." Debt incurred to satisfy material longings does not rise to the level of a Shari'ah-condoned deduction, for they would negate one of the indisputably fundamental Shari'ah purposes; namely, securing the socio-economic justice of the poor (*Zakât Calculation*, 35).

This book's Zakât Calculation Form includes an option to deduct "outstanding necessary debts." This must be something on the order of an outstanding goodly (non-interest-bearing) loan for living expenses—should you choose to avail yourself of the opinion that debts are deductible. We strongly encourage you, however, to follow the instruction of 'Uthmân ibn 'Affân to pay your outstanding debts on or before the Zakât due date. Then calculate your Zakât on all remaining zakatable wealth.

What About Zakât Due on Business Wealth?

Being in business might involve investing money in the purchase or rent of property, furniture, and equipment. It may also involve having goods to sell. Another factor is the income generated from the business, which may be reinvested in the business or distributed to owners. Scholars classify business assets into two categories for the purpose of Zakât calculation: Trade goods and productive assets, including exploited assets.

What Does the Term 'Trade-Goods' Mean?

'Trade Goods' or 'Saleable Goods' are assets acquired for profit through sales, such as business inventory. These are items convertible to cash in the future. They include land and lots, houses, buildings, furniture, clothing, foodstuff, ma-

chinery, jewelry—anything purchased with an intention (or openness) to sell or trade for profit at some point. Thus, even livestock for resale fall in this category (although their Zakât and *nişâb* differ from trading goods).

How Is the Zakât of a Business Calculated?

Zakât for a business is calculated on the Zakât due date (or estimated prior to that date) according to the following formula: (1) Appraised Merchandise Wholesale Value (PLUS) (2) Cash on Hand and in Deposit (PLUS) (3) Good Debt Owed to Business (MINUS) (4) Eligible Debt* (TIMES) (5) 2.5 percent (EQUALS) (6) Zakât Payment.

(AMWV+C+GD) - (ED) x 2.5 percent = Zakât Due.

*Subtract eligible debts if you follow a juristic school (*madhhab*) that permits debt deduction. If the balance reaches *nişâb* (the monetary equivalent of 85 grams of pure gold), then Zakât is 2.5 percent on the balance. (*Fiqh az-Zakât*, 203, 213-216)

When and How Does One Determine the Value of a Zakatable Asset?

GENERAL RULE: *Zakât is calculated based on the market value of an asset and distributed immediately upon due date.*

For example, one determines the market value of gold, a stock portfolio, trade goods, or luxury items in excess of personal use (i.e. jewelry, art, collections, etc.) as of the Zakât due date. If one delays calculating Zakât on shares whose prices fall or rise, Zakât is still paid on the market value as of the due date (*Zakât Calculation*, 30-31). Commercial commodity values are their wholesale price on the Zakât due date, whether they are designated retail or wholesale and whether they are higher or lower than the retail price. This is a majority opinion.

How Is Zakât Calculated on Rental Property and Income?

(There is more extensive discussion on pp. 41-45.) Zakât is assessed for rental property on growth only. The fixed asset itself is exempted from Zakât, which is calculated at 2.5 percent of

net income after all expenses are deducted for the Zakât year.

Rental businesses (equipment, cars, etc.) pay Zakât on (1) the wholesale value of all rental assets (considered trading goods) at 2.5 percent; and (2) on net income at 2.5 percent (There is an alternative calculation method (see answers pp. 54-56) (*Zakât Calculation*, 49-50)).

How Is Zakât Calculated on Agricultural Products?

Agricultural produce is zakatable. Zakât is due on everything land produces that can be eaten and stored (such as grains, beans, fruit, dates, etc.) *Niṣâb* on crops is measured in five volume units individually called *wasq* (1 *wasq* = 130.56 kg of wheat). Five *wasqs* equal 653 kilograms. This is the *niṣâb* on agricultural yields.

There are two agricultural types of product: (1) At cost, and (2) without cost. The Zakât rate changes accordingly (*Fiqh az-Zakât*, 228-229, 242):

1. Output from Irrigated Land: Zakât rate is 5 percent of net value of harvest—after deduction of costs, including irrigation, fertilizer, and operating expenses.
2. Output from Unirrigated Land: Zakât rate is 10 percent of gross value of harvest, since land is being watered mostly by rain, natural springs (There are straight mathematical percentage changes if land is partially irrigated for half the time, a third of the time, a quarter of the time, etc.).

Is Zakât Due on Agricultural Land?

No. There is no Zakât on land value, only on value generated (i.e., the harvest). If land is leased to a farmer, the farmer pays Zakât on the crops, the owner on the rent received. Zakât is 2.5 percent of net rental income for the landowner (see answers pp. 51-55 for alternative calculations (*Fiqh az-Zakât*, 255-256; *Zakât Calculation*, 27)).

Is Zakât Due on Livestock?

Yes. Livestock is zakatable. Domestic animals and poultry for personal use are not zakatable (including for food, use, and enjoyment). Working animals for cultivation, etc. are Zakât-exempt. *Niṣâb* and Zakât rates on various animals follow (*Fiqh az-Zakât*, 104-105, 131-137):

| OVINE | HEAD COUNT | ZAKÂT DUE |
|-----------------|----------------|----------------|
| SHEEP/LAMB/GOAT | 1 to 39 | none |
| SHEEP/LAMB/GOAT | 40 to 120 | 1 |
| SHEEP/LAMB/GOAT | 121 to 200 | 2 |
| SHEEP/LAMB/GOAT | 201 to 300 | 3 |
| SHEEP/LAMB/GOAT | 301-400 | 4 |
| SHEEP/LAMB/GOAT | Every 100 more | Plus 1 per 100 |

| BOVINE | HEAD COUNT | ZAKÂT DUE |
|--------------|------------|------------------------|
| COWS/BUFFALO | 1 to 29 | none |
| COWS/BUFFALO | 30 to 39 | 1 (YEARLING) |
| COWS/BUFFALO | 40 to 59 | 1 (2-YEAR-OLD) |
| COWS/BUFFALO | 60 to 69 | 2 (YEARLINGS) |
| COWS/BUFFALO | 70 (PLUS) | SEE SPECIAL REFERENCES |

What is Rikâz and What Zakât Is Due on It?

Rikâz signifies “treasure troves” that are windfalls and unexpected fortunes involving little effort, fortuitous discovery, or unearthing. Jurists concur that the Zakât rate on such wealth is 20 percent. Mining is also classified as *rikâz*, including for oil, minerals, and precious metals. Some scholars hold that any time anything is extracted from the earth, Zakât is categorically calculated at 20 percent of total value. Others argue that *rikâz* from business exploration—for oil, precious metals and minerals, natural gas, etc. pays Zakât at the rate of exploited assets, as discussed earlier.

7. Zakât Recipients

Who Can Receive Zakât?

Zakât is paid to deserving individuals who come under one or more of eight zakatable categories designated by God in the Quran.

- ➡ Indeed, [prescribed] charitable offerings are only [to be given] to the poor and the indigent, and to those who work on [administering] it, and to those whose hearts are to be reconciled, and to [free] those in bondage, and to the debt-ridden, and for the cause of God, and to the wayfarer. [This is] an obligation from God. And God is all-knowing, all-wise. (Al-Tawbah, 9:60)

The Quran specifies how Zakât is to be distributed precisely, but grants Muslims maximum flexibility in its collection. On one hand, this guarantees the right of the needful. On the other, it accommodates inevitable changes and variation in stores of wealth, effective distribution mechanisms, and diverse societies through time and in different places in the world. Trustworthy Muslim institutions collect and distribute Zakât to the deserving they identify as belonging to one or more of the zakatable categories prescribed in the Quran.

It is noteworthy that Allah, Himself, identified for Zakât payers and administrators the eight human categories of Zakât disbursement—leaving this neither to ruler, nor to scholar, nor to the Prophet ﷺ himself. It is reported that a

man once came to the Prophet and asked him Zakât. The Prophet said:

Allah permitted not even a prophet to adjudge Zakât-[worthiness]. Rather, He Himself ruled on it and permitted it in eight cases. Therefore, if you belong to any of these, I shall most surely give you your right. (Abû Dâ'ûd)

The eight categories of eligible Zakât recipients follow:

1. The poor (*al-fuqarâ'*)
2. The needy (*al-masâkîn*)
3. Zakât-workers
4. Those whose hearts are to be reconciled
5. Those in bondage (slaves and captives)
6. The debt-ridden
7. In the cause of God
8. The wayfarer (the stranded, or one traveling who lacks resources)

What Is the Distinction Between the "Poor" and the "Needy" (al-fuqarâ' wa'l-masâkîn)?

The majority of scholars consider the poor and the needy to be two distinguishable categories. Some identify the distinction as the poor one (*al-faqîr*) having serious deficiency of essential resources, but whose modesty prevents him or her from asking for help; while the destitution of the needy one (*al-miskîn*) drives him or her to beg. There are other opinions, but none changes the fact that both categories are direly in need of charitable help because of a lack of property, income, or basic necessities of life and living sufficient to carry one with dignity through a minimum of a year.

Who Are 'the Workers Administering Zakât' (ʿâmilîn ʿalayhâ)?

Those who collect and distribute the Zakât-Charity are crucial to the integrity of the community and the fulfillment

of its worship. Thus they can be paid out of Zakât, according to the verse cited above. This indicates that Zakât collection and administration is the function of an organized body of paid employees. These workers can receive compensation from Zakât, regardless of whether they are poor or not. Moreover, the compensation should be competitive with the market value of their labor (*Fiqh az-Zakât*, 366, 373). If Zakât administration is performed by non-governmental agencies, they must specify to Zakât payers the percentage deducted for administrative fees.

***Who Are ‘Those with Hearts to Be Reconciled’
(mu’allafât al-qulûb)?***

Historically, this category encompassed five types of people:

1. Former non-Muslims who suffer alienation after accepting Islam against the will of others.
2. Muslims who become estranged after standing upright in their faith.
3. Non-Muslims whose hearts incline toward Islam but who fear coming to it because of societies hostility toward it.
4. Those who will use their social influence to malign or help Islam and Muslims based upon the outcome of their interaction with Muslims.
5. Muslims whose faith suffers because of their current social status or conditions.

All these dimensions still ring true in our times, especially among those who come to Islam. How often do we see people who embrace Islam shunned by their families and deprived of employment? They have the right to receive Zakât to protect themselves from harm and make firm their faith. Some juristic schools question the ongoing validity of this category after the passing of the Prophet ﷺ, their established view being that the survival of Islam as a religion is no longer in question. Yet, in any case, scholars hold that

such decisions are not to be made by individual Zakât payers but by a legitimate, governing entity on their behalf (*Fiqh az-Zakât*, 377, 381, 388).

What of Emancipation (fī al-riqâb)?

Zakât money can be used to free those enslaved or held in captivity. This use of Zakât was a central pillar in the Quran's systematic abolition of slavery—the first such impetus in history and the moral model that taught humanity that the institution of slavery was ethically reprehensible.

Who Are 'the Debt-Ridden' (al-Gharimîn)?

People who are overwhelmed with debt and lack the income or assets to pay it off qualify to receive Zakât. This is among Islam's most noble stances, as commentators have noted. For Islam acknowledges that people burdened with debt come under one of the most debilitating stresses in life. Islam forbids that a debtor be put under duress by either the creditor or the law. It always affords one another chance to repay or settle accounts. When a debtor reaches a point of inability to repay loans, society steps in to help with Zakât funds—in order to clear one's liabilities and alleviate one's oppressive situation. The sole criterion is that one has incurred debt for legitimate purposes. By paying from the Zakât fund, Islam frees debtors from the obligation and humiliation of their debts. The world has never known another system that includes in its religious obligations the rights of debtors to financial aid (*Fiqh az-Zakât*, 399–400).

Three general conditions apply for a debtor to be eligible for Zakât (*Fiqh az-Zakât*, 389–399):

1. The debtor must be in need of financial help.
2. Debt has been incurred as a result of lawful activity, such as borrowing to support a family.
3. The debt is due immediately to payable entities (meaning, obligations owed to God, most high, such as past due Zakât or penitence offerings, are excluded).

*Who Is Classified ‘in the Cause of Allah’
(fî sabil’illâh)?*

“In the way or cause of Allah” includes writing, speaking, and organizing efforts to support and defend Islam’s truth—especially resisting aggression against its teachings by ill-motivated or misinformed maligners. This may also encompass establishing open centers that provide correct and unadulterated information on Islam to men and women in places where Islam is under ideological assault, or even educational centers to teach Muslim youth their religion and set firm their faith in societies wherein there is systematic indoctrination seeking to destroy Islam as an ideology in their minds (even though schools are as a rule not zakatable). But in dire circumstances, such institutions are a counterbalance to social deviance, behavioral corruption, and irreligiosity. Publications that seek to guide Muslim men and women in

This is How You Should Be

The early Muslim Ibrahim ibn Bash said:

I accompanied [the great sage] Ibrahim ibn ‘Adham to the city of Tripoli, and we had but two pieces of bread. When a poor man asked him for help, Ibrahim commanded me: ‘Give him what you have.’ Astonished, I hesitated. So Ibrahim again told me to give to the poor man what I had. He then said to me: ‘O Abû Ishâq: On the morrow, you shall face a Day whose likes you have never met before. On that Day, you shall meet all that you have done, but never shall you meet the things you have left behind. So prepare for that Day [of Judgment], for you know not when the command of your Lord comes for you [with death]. I wept at his words, for I felt the utter insignificance of this life. When he saw me weeping, he wept, as well, and said: ‘This is how you should be.’

(*Al-Zuhd*, *Al-Bayhaqî*, 25; and *Sifah Al-Safwah*, 4:153)

their daily lives and increase their awareness of the Quran, Islam, and the issues relevant to them are also legitimate outlets for the Zakât of this category—including paying the people who work on them. But all four schools of jurisprudence (*madhâhib*) draw the line of Zakât on this category at public works—such as irrigation projects, mosques, schools, etc. (except in special cases where such projects constitute a clear defense of Islam as an ideology) (*Fiqh az-Zakât*, 423–24).

Who Is Considered a ‘Wayfarer’ (ibn al-sabîl)?

This category includes anyone stranded by circumstances, without access to money for basic needs, including travelers and, most importantly, refugees. The condition for the traveler to receive Zakât is need of money when on the road or stranded—the reason for traveling being legitimate and not in disobedience to God (*Zakât Calculation*, 61–66). (A few contemporary scholars see modern communication systems and financial networks that facilitate quick money transfer as obviating this category. But this opinion does not seem well considered).

What Categories Are Most Deserving of Zakât?

Without doubt, the poor and needy are the recipients of highest priority for Zakât money. Zakât may be spent in the above available categories based on the actual needs of

Giving With No Thought for Oneself

Muhammad ibn Al-Munqadir reported that Umm Durrah, who used to serve ‘Ā’isha رضي الله عنها, said:

Mu‘âwiyah رضي الله عنه sent 108,000 dirhams to ‘Ā’isha رضي الله عنها. She immediately asked for a platter and began parceling it out to the people. At night, she said to her helper: ‘Bring me my breakfast’ [as she was fasting]. She brought her bread and olive oil and said to her: ‘You left nothing from what came to you today, not even a dirham to buy meat to break fast.’ She said: ‘Had you reminded me, I would have done so.’

(*Al-Ilhya’*, 3:262)

Muslims and their priorities, but the poor and needy are Zakât's main objective and are to be first in line for its funds. Between the two, the poor and the needy, those who do not reveal their desperate need or ask for help due to their modesty—i.e. the poor—may be considered first qualified, followed by the needy, those who ask or beg. But the reality is that both categories are urgent and must be sufficed by Zakât (*Fiqh az-Zakât*, 443).

How Much Should the Poor Receive?

There are two approaches to paying the poor from Zakât funds. The first seeks to help the poor become self-sufficient for life. The second pays the poor enough to supplement their basic needs for an entire year (*Fiqh az-Zakât*, 354-364). The following true account illustrates the legitimacy of both, and that Zakât was a regulated, continuous source of assistance:

A woman in financial need once came to 'Umar ibn al-Khaṭṭāb saying she had not been given support for her children. 'Umar called for Muhammad ibn Muslimah, the one responsible for collecting and distributing Zakât. When he came, 'Umar said to him: 'You chose not to help this woman. What shall you say when Allah asks you about her?' 'Umar's eyes welled with tears. 'Umar said: 'Allah has sent us His Messenger ﷺ, and we believed in him, for he did what Allah ordered him to do. And he enjoined charity for those in need.' So 'Umar ordered Ibn Muslimah to give her a certain amount of charity on a yearly basis. In addition, he gave her a camel with containers full of oil and flour, and other types of nonperishable foods, to right the wrong the administration had done her. (*Al-Amwāl*, 599)

How Can the Poor Be Helped to Self-Sufficiency?

The Shâfi'î legal school holds that the poor should be given enough funding for an extended time and for personal development, in order not to require Zakât again. Their view derives from the 'Umar ibn al-Khaṭṭāb, famed Companion and Second Caliph, who said: "If you give, enrich" (*Al-Amwāl*,

565), meaning to transform the condition of the poor from poverty to independence so they will no longer have a need for Zakât. Supporting scholars thus contend that a poor person with a skill or trade should receive adequate money to acquire necessary tools, or the like, in order to become self-sufficient. The amount one should receive will vary according to work-related needs, location, era, and so forth. For example, a rancher or herder can be given enough livestock (and related needs) to earn a living. A carpenter may be given money to buy necessary tools or the tools themselves (and related support), and so on.

What of Unskilled People?

Scholars who support self-sufficiency argue that the unskilled poor should be provided out of Zakât with specialized training to qualify them for work. For example, one may be trained to sew, given a sewing machine and material, etc., from which to earn a livable wage.

How Much Zakât Are the Poor to Receive?

The Mâlikîs and Ḥanbalîs hold the view that Zakât should be given to the poor and needy until the next Zakât season—enough to sustain them for an entire year. Since Zakât money is collected annually, they say there is no need to give a poor person enough money at one time to benefit him or her for the rest of life. Zakât is regularly collected each year, and continuously paid out to those who deserve it most. The amount, again, will vary in accordance with place, time, and social circumstance.

This Means There Are Two Views. Which is More Correct?

Both opinions are valid, each being applicable and effective in accordance with individual circumstances.

VIEW ONE: This is more practical for those who are able to work but who lack the capital or training to deploy themselves in the market. They can be given money

sufficient to purchase required assets, or get training, in order to become independent.

VIEW TWO: This better fits those who are unable to work owing to a disability, age, or specific inhibiting factor. People in this category can be given enough to sustain themselves for a year.

There is a third factor in determining which option to follow: The financial capacity of the agency administering the Zakât funds. Do they have the funds to pay out longer term Zakât, or only year-to-year payments?

Can Zakât Be Distributed on a Monthly Basis?

For those who cannot work or lack a regular income that meets their basic needs, Zakât funds can sponsor the poor person and his or her family. This is done either by providing enough sustenance or funds to last an entire year, or monthly, if the Zakât agency is unable to distribute it yearly.

Who Cannot Receive Zakât?

If a person does not come under one of the prescribed eight categories, they are prohibited from receiving Zakât. Relevant to us, this includes six types of people, but there are exceptions within these types:

1. The rich
2. The work- and earning-capable
3. Devotees who refuse to work
4. Inveterate unbelievers and renouncers of Islam
5. Other Non-Muslims
6. Children, parents, and wives of Zakât payers

First, categories 1, 2 and 6 can work for Zakât collection and distribution and be paid from Zakât. Second, categories 1, 2, 5, and 6 may qualify under the category of having their hearts reconciled, according to some scholars, but this cannot be determined by individual Zakât payers. Third, any Muslim can qualify for Zakât under the category of debt-ridden.

1. The Rich

This includes children of the rich and those sponsored by the wealthy.

2. Work- and Earning-Capable

To choose to live on charity and the financial help of others, despite being capable of earning, is to disqualify oneself from receiving Zakât. However, physical capacity is not a sufficient condition to disqualify one from receiving Zakât. Such people may take Zakât when the following conditions are met: (a) Unavailability of lawful employment, (b) unsuitable employment with regard to the abilities of the person, and (c) insufficient salary to fulfill the needs of oneself and one's family (*Fiqh az-Zakât*, 350–352).

3. Full-time Devotees Who Expend No Effort to Earn a Living

Anyone who devotes himself exclusively to ritual worship and divine contemplation, expending no effort to earn a livelihood though able-bodied is disqualified from receiving Zakât (*Fiqh az-Zakât*, 353).

4. Inveterate Unbelievers & Forsakers of Islam

Those who are against Islam and those who renounce their faith in it are ineligible for Zakât

5. Other Non-Muslims

The majority opinion is that being a compulsory religious alms—due only on Muslims—Zakât cannot be given to non-Muslims. But there is a minority opinion that the People of the Scripture (Jews and Christians) may be given of Zakât, provided (a) the Muslim poor and needy are first paid and their Zakât privileges are not diminished by this, and (b) the former do no harm against Islam or Muslims. There is support for this position in certain verses of the Quran, a close analysis of the Prophet's statement in this regard, and the practice of prominent Companions

and Muslims (notably ‘Umar ibn al-Khaṭṭâb). Some scholars hold that the very word ‘needy’ (*miskîn*) in the Quran refers not to Muslims but to the People of the Book. In addition, the Ḥanafî argument about giving of the Zakât al-Fiṭr (The Charity of Fast-Breaking), a universal Zakât-alms, obligatory on all Muslims—regardless of wealth circumstances—is strong evidence for this position.

Yet there is nothing wrong with giving voluntary humanitarian charity (*ṣadaqah*) to the People of the Scripture. Muslims have always amply provided out of humanitarian concern to others. ‘Umar ibn ‘Abd Al-‘Azîz wrote specifically to the governor of Basra to “look after the People of the Scripture,” especially the “elderly, infirm, and unemployed.” To each he dispensed a sufficient stipend. The verses of the Quran and the instructions of the Prophet ﷺ with regard to helping all poor and needy people are numerous.

6. Close Relatives

When a government or recognized agency pays out Zakât on behalf of Zakât payers, prohibitions on close relatives do not apply. In terms of direct assignment of Zakât, from payer to recipient, the majority opinion is that only parents and children cannot receive one’s Zakât. In addition, a man cannot pay Zakât to his wife. The reason for all three prohibitions is that the Zakât payer is already responsible for the financial needs of these relatives, their wealth and property being considered legally contiguous by some. The point is that one is obliged by God to support one’s forbears and descendants. So one does not pay Zakât to his needy father, for instance. He is obliged to provide for his needs out of his own wealth. Moreover, Islam already obliges a man with 100 percent of his wife’s basic needs, while she is further considered so intimate with him as to be considered as one with himself for

Zakât purposes. The inverse is not the case for the rich wife, whose independent wealth is exclusively hers, her indigent husband, therefore, being Zakât-eligible for her. Thus a wife may pay Zakât to her husband in this opinion—many jurists holding the indigent husband as the preferred Zakât recipient of his wealthy wife. Some jurists (as stated) extend the prohibition on giving Zakât to close relatives to grandparents, parents, children, grandchildren, and wives of Zakât payers (*Fiqh us-Sunnah*, 75). Others include even siblings. But the best opinion is that, outside of parents and children, any relative who is not a dependent of one may receive Zakât from him or her.

Public Projects

In addition, the four schools of jurisprudence prohibit spending Zakât on public works or what is termed “common (in the sense of ‘communal’) benefits,” such as the building of irrigation channels, mosques, schools, roadways, wells, etc. as these are to be funded from other public funds (*Fiqh az-Zakât*, 413).

What Does the Zakât Recipient Owe the Zakât Payer?

Zakât recipients owe nothing to payers. Again, Zakât is a divinely established right on behalf of the poor and needful in God’s wealth, which He has entrusted to people for a time, rendering them a surplus beyond their own needs. Yet the Prophet ﷺ famously said: “One who thanks not people, thanks not God.” Moreover, appreciation is a characteristic of all good-hearted people. Zakât receivers or the collectors may honor this ethic by praying for God’s blessings and mercy for the individuals and the families of those whose Zakât-payment has benefited them—even though the Zakât payers’ identities may be unknown. ‘Abd’Allâh ibn Abî Awfâ states that upon receiving the Zakât of his father, the Prophet ﷺ, as the first Zakât administrator, prayed: “My Lord, have mercy on the family of Abû Awfâ!” (Aḥmad, Bukhârî, Muslim).

8. Zakât Payment

What Does the Timing of Zakât Payment Involve?

The two main concerns about when Zakât payments are to be made involve calculating due dates and whether payment can be made in advance or delayed.

How is the Zakât Due Date Calculated?

Many Muslims calculate Zakât during Ramadan because Allah multiplies many times over the reward of our well-intended good deeds in this month of fasting, in which the Quran was first revealed. Moreover, Ramadan's last 10 days are most blessed, since The Night of Empowering Decree (*Laylat al-Qadr*) occurs in them. So a typical Zakat-year (*hawl*) may run from 28 Ramadan one year to 27 Ramadan the following year. Once you have established a Zakat-year, use the same date range for all future Zakat-years. Thus you would calculate and pay your Zakât on 27 Ramadan every year for as long as Allah gives you life, including in the year of your death (in which Zakât must be paid as a debt, or an heir may pay any due Zakât from his or her own wealth, or through your own prepayment prior to death).

Is Prepayment of Zakât Permissible?

Yes. One may pay Zakât in advance on assets whose *nişâb*

requires passage of a year, such as livestock and money—especially if the payer has the necessary *niṣāb* and the Zakat recipient(s) has suffered (or will otherwise endure) a calamity. One may also pay his or her Zakât weekly or monthly, if that is easier, or more conducive. For salaried employees, this helps spread the Zakât payment over an entire year, which greatly reduces any financial burden, while fulfilling Zakât's purposes and one's divine obligation to the poor. But one who prepays Zakât must still make a final calculation at the end of the Zakât-year to ensure compliance in full with the

Investment Paying Tenfold

Once, when Abû Bakr was Caliph, people grew worried about famine. When they approached him with concern, he said:

“Your worries shall pass tomorrow.”

The next day early in the morning a thousand grain-laden camels belonging to ʿUthmân ibn ʿAffân reached Madinah. The merchants of Madinah offered to buy his grain at the rate of 12 pieces of silver (dirhams) for every 10 at the normal price. He refused. They offered 14 dirhams for every 10. He refused. Instead he asserted that he would get an astonishing 10 dirhams for every single dirham at the normal price. None of the merchants could pay his rate.

ʿUthmân then called out: “Oh Merchants! Bear witness! I give this grain in its entirety to the poor and destitute of Madinah.” And so it was that he earned its reward tenfold, for he knew that Allah accords charity ten times the blessing of its value.

(*Shah WaliʿAllâh, Izâlah Al-Khifâh*)

obligation (*Fiqh az-Zakât*, 518-521).

When Is Zakât Actually Due?

Zakât is payable immediately whenever its established due (or “harvest,” or equivalent) date falls. Therefore, Zakât payment should not be delayed unless it is absolutely necessary.

Is A Delay of Zakât Payment Permissible?

No. It is sinful, unless there is a truly extenuating circumstance or valid reason or injunction from a legitimate authority. When Zakât on any of one’s property or holdings falls due, one must pay it in full immediately (without waiting to aggregate it with other Zakât expected to fall due) because it is not one’s money, but a right owed to the poor (*Fiqh az-Zakât*, 522).

What If One Has Unpaid Zakât for Past Years?

Whoever has not paid due Zakât for past years, must pay it retroactively at the soonest possible moment. Estimate past payments for all unpaid years. Then pay it for the entire period. This does not relinquish one from the obligation of payment for the current Zakât-year. Converts to Islam owe no Zakât for years prior to their acceptance of faith (*Fiqh az-Zakat*, 522).

Does Death Relieve One of Zakât Obligations Due?

No. Since Zakât is the right of the poor on the wealth of the rich, death of a wealthy person does not absolve him of the obligation of unpaid Zakât. If one dies before paying Zakât, then the unpaid Zakât must be taken out from his estate and paid to the poor before the estate is distributed among heirs (*Fiqh us-Sunnah*, 10). Or an heir can pay it on the deceased’s behalf, which is a great mercy.

A man came to the Prophet ﷺ and said:

‘My mother died while owing a month of fasting. Shall I make it up for her?’ The Prophet asked: ‘If there were debt for your mother, would you pay it for her?’ He said: ‘Yes.’ The Prophet said: ‘A debt to Allah is more deserving of payment.’ (Bukhârî and Muslim)

Unpaid Zakât has priority of payment over all other debts from a deceased Muslim's estate. Other debts are paid only after one's outstanding Zakât has been satisfied. If the deceased's established Zakât date for the year has not yet come, the amount due is estimated out of one's final estate and distributed among its rightful owners; namely, the poor, the needy, or the eligible. The deceased's property is then distributed in accordance with divine inheritance injunctions.

What if One Sets One's Zakât Aside Then Loses It?

In almost all cases, this does NOT absolve one of paying the poor their God-given due in one's wealth. Some scholars hold that a Zakât payment remains due regardless of the reason for loss. But if one's Zakât is lost or taken—in circumstances legitimately beyond one's control, not because of neglect—the payer is, according to the opinion of broadest support, excused for that payment. But, again, this is rare; and if one is able, one should pay it to ensure compliance with God's commandment (*Fiqh az-Zakat*, 523).

Must Zakât Be Paid in Money?

No. Zakât can be paid in any verifiable measure of value that adds up to what one owes—in money or by an in-kind payment. Moreover, Zakât need not be paid in the same denomination, with the same kind of wealth, one is paying Zakât on. If one is paying Zakât on crops, for instance, the sum may be converted into money and paid (*Fiqh az-Zakat*, 509).

What Essentials Make a Zakât Payment Valid?

Three conditions make a Zakât-payers payment valid:

1. **PROPER INTENTION:** The Prophet ﷺ said: “[The value of] all deeds are [determined] only by intention” (Bukhari, 1:1). Hence, one's intention constitutes the foremost validating factor for all one's works. For obligatory acts of worship like Zakât, there is no exception to this rule. Moreover, it is the intention

that distinguishes one's Zakât payment from one's voluntary charitable giving (*ṣadaqah*).

2. **PROPER ASSESSMENT:** All one's zakatable wealth without exclusion—both money and possession—must be precisely measured and correctly valued.
3. **PROPER RECEIPT:** One must cause one's Zakât to be transferred to a duly eligible recipient (or recipients) as specified in the Quran and particularized by the Prophet ﷺ. This may be done directly, if there is no legitimately designated agency, or through a reputable nonprofit deserving of competence in this area. For the purposes of Muslims in America, this is often the surest way to guarantee one's compliance. Once one transfers Zakât to a designated party duly deemed eligible by an individual or organization qualified to make such a determination, then one is not obliged to repay that Zakât if it is later determined that the party who received one's Zakât was ineligible.

9. Zakât Administration

Did Zakât Have Administrators Historically?

Yes. The Prophet ﷺ, himself, was the first Zakât administrator. He appointed Zakât collectors in every region in which people accepted Islam. Moreover, the Quran established charitable giving deep in the hearts of its community and fixed it into the very foundations of the religious way of life and sacred civilization. God Himself revealed the rules of Zakât and the deeply spiritual principles and etiquette of dispensing charity. The Prophet ﷺ epitomized and characterized these standards in his life, demonstrating the exquisitely sensitive and refined manners one is to exhibit when paying alms and in benevolent giving. The Prophet ﷺ inculcated these behaviors and attitudes in his Zakât collectors—whom he chose to begin with because of their integrity, nobility, and gentleness.

Who Is Authorized to Accept Zakât?

Individuals pay Zakât (including corporations). Its collection and distribution, however, is a function of (a) an Islamic polity, if one exists, or (b) the Muslim community, if it lives independent of an Islamic polity, which is by far the case with Muslims outside the traditional lands of Islam. Indeed, the reality is that most Muslims independently determine where to place their Zakât. Late in the lives of the illustrious first

generation, even after the rule of the Rightly Guided Caliphs lapsed, prominent Companions—including ‘Ā’isha رضي الله عنها, Ibn ‘Umar, Sa‘d ibn Abî Waqqâs, Abû Hurayrah, and Abû Sa‘îd Al-Khudarî—continued to pay their Zakât to the government and commended others to do the same.

Is Zakât Collection and Distribution Centralized?

As we have seen in previous examples, historically Zakât was collected from the wealthy residents of a locality and distributed to the poor and needy in that same locality. Excess Zakât was sent on to the central *bayt al-mâl* (treasury), usually after local disbursement had been thoroughly exhausted. In the time of the first Caliph, Abû Bakr, for example, he appointed ‘Umar ibn Al-Khaṭṭâb as Zakât administrator, who directed the residents of the great cities of Kufah, Basrah, and Damascus to select their most trustworthy countrymen as Zakât collectors.

How Much Zakât Do Muslims Today Generate?

Muslims comprise more than 1.7 billion people in the world, according to calculations based on a 1997 United States Center For World Missions report. The Zakât revenues due on the eligible wealth of this population, according to some global Zakât models, indicates a figure up to \$1 trillion annually.¹ All Muslim giving in the United States from an estimated 6 million Muslims, calculated at the average annual rate of American charitable giving, \$200, comes to about \$5.3 billion charitably each year. But there is evidence suggesting that Muslim charitable giving runs significantly higher than the national average and that Muslim population estimates may be as much as double the soft 6 million figure often cited. If only half of this low estimate of Muslims pay this very conservative amount in Zakât, it means Muslims pay about \$600 million to their poor and needy every Zakât-year. Zakât Al-Fiṭr (obligatory upon every Muslim regardless of economic status before the end of Ramadan) at an average

of \$7 per individual adds at least another \$42 million to that total. These obligatory Zakât sums are undoubtedly far exceeded by the great amounts of *ṣadaqah*, voluntary charity, that practicing Muslims are known to pay, often in the thousands of dollars for many individuals. But the bulk of Muslim charitable giving in America, about \$4.8 billion in 2005 according to one estimate, goes from Muslims to mainstream American, non-religious nonprofits (Jassem, *Islamic Perspective on Charity*, 36). This means that Muslims in America, if they organize their Zakât and *ṣadaqah*, can help curtail poverty among Muslims in the United States with a well-managed Zakât campaign, and also help needy Muslims worldwide. Zakât, it must be stressed, is only part of the comprehensive economic program for human elevation out of poverty that Islam details.

What Are the Stipulations and Desirable Qualities of the Zakât Collector?

Zakât collectors must meet a minimum of ten criteria:

1. They must be Muslim.
2. They must be sane.
3. They must be past the age of puberty.
4. They must be trustworthy.
5. They must be righteous and honest.
6. They must be efficient and capable.
7. They must not accept any gifts from Zakât payers or recipients, all such gifts being considered bribes.
8. They must declare everything they collect and put it in the Zakât fund, misappropriating nothing, designating all Zakât as its payers have instructed.
9. They must be kind, courteous, and moderate with those whom they collect from, the people of means.
10. They should pray for the wellbeing of those they collect Zakât from.

But What About Paying the Collectors from Zakât?

These ethics and qualifications are not to be confused with the Quranic stipulation that those who administer the collection and distribution of Zakât are permitted to use Zakât funds (after informing the payers about percentage used) for paying employees and related expenses. Nonetheless, there are many reports of Companions who, on account of their awareness of the grave consequences of misappropriating Zakât or violating the ethics of its collection and distribution, beseeched the Prophet ﷺ to be excused from their appointments as Zakât collectors. This urgent request for pardon from the Prophet ﷺ from

Attaining Virtue By Giving What You Most Love

The Companion Anas ibn Malik رضي الله عنه said:

Abû Talḥa had more property in Madinah than any of the Anṣâr, and the property he loved most was [called] Bayrûḥa's Garden, which was directly in front of the Prophet's mosque. On occasion Allah's Messenger ﷺ would go to the garden and drink of its delightful water. When the verse was revealed:

➡ Never shall you attain to [the highest] virtue [of faith] until you spend [in charity] from that which you love. And anything you spend, indeed, God is all-knowing of it. (Sûrat Âl 'Imrân, 3:92)

Abû Talḥa went to the Prophet ﷺ and said: O Messenger of Allah! Allah says: "Never shall you attain to virtue until you spend from that which you love." Without doubt, Bayrûḥa's Garden is the most beloved of all my property to me. So I want to give it in charity in Allah's cause, and I expect its reward and compensation from Allah. O Messenger of Allah! Spend of it wheresoever Allah would direct you. On that, Allah's Messenger said: "*Bakhim! Bakhim!* (Well done! Well done!) A prosperous trade! A prosperous trade!"

(Alḥmad)

their appointments as Zakât collectors was true of both Saʿd ibn ʿUbaydah, and ʿUbâydah ibn Şâmit. Upon the appointment of the latter, the Prophet ﷺ warned him:

Fear God! And appear not on the Day of Judgment in the state of [one forced into] carrying a [Zakât-embezzled] bellowing camel, or [lowing] cow, or [bleating sheep] upon your shoulders while looking to me for help! (Ṭabarânî, verified by Albânî, *Ṣaḥîḥ Al-Targhîb wa'l-Tarhîb*, no. 775)

Who Administers Zakât Nowadays?

Zakât collection is the obligation of Muslim polities, and specifically the Muslim government of an Islamic society. If there is no such entity to carry forth the communal obligation of Zakât collection and distribution among Muslims, then the Muslims of each locality or region must create an independent Zakât agency to facilitate and manage this individually and communally obligatory worship. Only the most trustworthy and professionally qualified Muslims from each community, locality, or region should administer the collection and distribution of Zakât funds. Moreover, in our times it is necessary also that these individuals (1) create and oversee programs to educate Muslims about the importance of paying Zakât as the Third Pillar of Islam; (2) that they design effective and detailed plans that optimize local collection and distribution sequences; and (3) that they work with other Zakât agencies to create a collective Zakât repository to aggregate all local and regional Zakât overflows.

What If No Such Agencies Exist in a Particular Area?

Zakât is an individual obligation that must be paid to the poor and eligible. In the absence of a legitimate, Islamic governing authority to organize Zakât collection and distribution, or of established communal agencies to take on this religious responsibility, the individual Zakât payer bears full responsibility. He or she must learn how to determine one's zakatable wealth, assess one's own Zakât, and seek qualified Zakât recipients, in accordance with the specifying verses of the

Quran and the exemplifying practices, teachings, and approvals (Sunnah) of the Prophet ﷺ. These individuals are then responsible for directly paying entitled recipients their rightful due from one's wealth. Whether one asks for Zakât or not, it is absolutely clear in the Quran that the poor and the needy (followed by others who are eligible) must be paid their due from, and supported by, Zakât under any circumstances.

What Kinds of Muslim Organizations Manage Zakât in America?

In the absence of well-established Zakât Houses, many Muslim organizations solicit Zakât. But it is the Zakât payers religious obligation to ensure that such entities are trustworthy in their Zakât collection and accounting and correct in their disbursement. Not all organizations that are qualified to take in Zakât have the expertise or personnel available to assist one in defining their zakatable monies and properties and assessing one's Zakât according to the proper rules of wealth. There are also issues of distribution priorities that require more scholarly, systematic, and detached management.

Are There Guidelines Organizations Ought to Follow with Respect to Zakât?

The Zakât Foundation of America, as a specialized Zakât institution, recommends that the following criteria be followed by all Muslim organizations accepting Zakât:

1. Offer professional seminars to educate and assist individuals and businesses that are Zakât payers in defining their zakatable wealth, properly assessing Zakât on it, and calculating payable Zakât dates.
2. Appoint qualified, trained individuals who can provide one-on-one assistance to Zakât payers.
3. Provide private Zakât auditing services to ensure that Zakât payers have computed their Zakât properly.
4. Establish Zakât-Management Boards that include religious scholars and accountants that guarantee Zakât

funds are administered professionally and distributed in accordance with authoritative Islamic juristic opinion regarding the divine injunctions in the Quran and the Sunnah of the Prophet ﷺ.

5. Set up a Zakât inquiry and solicitation program under designated and responsible direction to allow people to qualify themselves as eligible for Zakât and to enable community members to alert the Zakât-Management Board about the poor who are too modest to request their right in community Zakât, and to provide contact information, and so forth.
6. Coordinate Zakât activities with other groups managing Zakât programs to prevent waste and duplication.
7. Publish annual reports that detail Zakât activities in specific and with complete transparency to establish impeccable public confidence.

Are There Guidelines for Maintaining Zakât Funds?

Yes. From the first generation onward, Muslims have kept Zakât funds separate from all other charity (*ṣadaqah*). Organizations may either establish a special *Zakât Bayt Al-Mâl*, (Zakât treasury), or simply create a designated Zakât fund. Zakât must not be intermingled with other funds or holdings. Legitimate expenditure of Zakât is very narrow, including the right of those who administer and work on Zakât to be paid from its coffer. Thus Zakât must be managed apart from all other financial aspects of an organization.

Can Zakât Payers Restrict the Use of Their Payments?

GENERAL RULE: *Charities are a sacred trust (amânah) to be spent according to the giver's wishes, provided they are in accordance with the injunctions of the Quran and the specifications of the Prophet ﷺ.*

Islam enjoins administrators of charity—including Zakât—to honor the legitimate purposes intended by its payers for

Compete in Charity

ʿUmar ibn Al-Khaṭṭāb said:

The Messenger of Allah ﷺ ordered us to give charity at a time when I had some wealth. I said to myself: 'If ever I am to outstrip Abû Bakr, it is this day.' I brought half my wealth and the Messenger of Allah ﷺ asked me: 'What, then, have you left for your family?' I said: 'The like of it.' Abû Bakr then brought *all* he had and the Messenger of Allah ﷺ asked him: 'What, then, have you left for your family?' He said: 'I left them God and His Messenger.' I said to myself: 'Never shall I compete with you again.'

(Abu Dâ'ûd, Tirmidhî)

the charity they have vouchsafed them. Whether individual, organization, or government agency, Islam considers the appointed executor of Zakât and *ṣadaqah* charity a temporary trustee (*wakīl*) over all such funds, which are deemed "restricted" or "designated," and which the trustee is constrained by Divine Law (Sharīʿah) to disburse as intended by its giver. The trustee is no more than a conduit between payer and recipient, empowered only to act as intermediary. The trustee's agency powers expand (only to the full breadth of the injunctions of the Quran pertaining to the gift) if the payer of Zakât (or *ṣadaqah*) imparts his or her payment to the trustee with no further designation than identifying it as either Zakât or *ṣadaqah*, which must be done. In this case, the trustee can disburse such unrestricted Zakât (or *ṣadaqah*) as is deemed best, again, in accordance with the limitations set by

the Quran and defined by the Prophet ﷺ.

Are There Examples of Restricted and Unrestricted Uses?

If a Zakât payer designates payment for widows of war, orphans, or refugees under the Quranic category of the poor, for instance, the trustee has no option of giving such payment over to an intact family living in their home, but who are

otherwise needy, or to building a mosque. The needy can receive Zakât from other monies. Mosques under construction are eligible for *ṣadaqah* (voluntary charity) but not Zakât. The Zakât money designated for the widow, orphan, or refugee must find its way only to qualified recipients.

What If the Trustee Cannot Comply with a Restriction?

If a charitable organization accepting Zakât cannot execute a Zakât payers request (or any charitable donor) it must either contact the payer and receive approval for another legitimate Zakât use, turn the Zakât payment over to another charity that can execute the payer's request (with the payer's consent), or return the payment to the payer, notifying him or her of its limitations.

How Can Charitable Organizations Reduce Restriction Problems?

Charitable organizations should vigorously promote the needs and humanitarian causes that they see as most pressing and specify whether such programs, such as developmental projects, or what-have-you, are zakatable or require voluntary charity, (*ṣadaqah*). Other programs will not suffer, as Zakât payers and other donors will be well aware of them and incline to give to them.

How Important Is Local Zakât Distribution?

GENERAL RULE: *Zakât must be disbursed in the area where it is collected. The poor and needy of a locality where Zakât is collected have priority over all others as recipients. (Fiqh az-Zakat, 515; for exceptions to this, see next question).*

Local distribution of Zakât from a community's wealthy to its poor is the Sunnah of the Prophet ﷺ and, consequently, paramount. The Prophet ﷺ established this precedent with Mu'adh ibn Jabal in Yemen with unmistakable language, as we have seen. Furthermore, Mu'adh, himself, divided Yemen into local regions and had Zakât collected and

distributed from the wealthy of those internal localities to the poor of the same place of collection. Many other verified accounts from the Companions to this effect exist. Indeed, the principle of local collection and distribution has been the established practice implemented by every succeeding Muslim generation, and endorsed by all the scholars. To take Zakât out of locality and give it in another place when poor still remain in the locality is a serious violation of Zakât, if there are no extenuating circumstances. Nor can this obstacle be easily overcome. In a well-known case, ‘Umar ibn Al-Khaţţâb was queried about the Zakât of the Bedouins [who were nomadic]. He replied, “By Allah! I shall render *şadaqah* (here,

A Loan Paid Back Many Times Over

The Companion ‘Abd’Allâh ibn Mas‘ûd said:

When the Messenger of Allah ﷺ received the verse:

➡ Who is that special one who shall loan to God a goodly loan for His cause, so that He may multiply it for him many times over?

(*Al-Baqarah*, 2: 245)

Abû Al-Daḥdah Al-Anşârî heard it and went to him, and said:

O Messenger of Allah! Does Allah desire a loan from us? The Prophet answered: ‘Yes, O Abû Al-Daḥdah.’ Then, Abû Al-Daḥdah said to the Prophet ﷺ: Give me your hand. The Prophet ﷺ did, so he grasped his hand and told him excitedly: ‘I loan Allah my farm.’ Ibn Mas‘ûd reported that his farm had 600 palm trees, an abundance of wealth at this time. Then Abû Al-Daḥdah went to his wife and children there and said: ‘O Umm Al-Daḥdah! Come forth from this place. I have given it as a goodly loan to my Lord.’

So he distributed its land and fruit trees among the poor.

(*Reported in Musnad Malik*)

meaning Zakât) to them until each one of them becomes the owner of 100 camels, male or female” (*Al-Muṣannaḥ*, 3:205). That is to say, each one of them would become wealthy before removing the Zakât of the Bedouins (who were generally very poor) from their locality. This prevention is particularly strong when it comes to Zakât in-kind (livestock, crops, etc.). There is some scholarly disagreement if one’s Zakât is monetary and earned in one place, while its payer lives in another. Most scholars consider it payable in the place where the payer resides, rather than where it was earned (*Fiqh az-Zakat*, 511).

Is Local Zakât Distribution Without Exception?

No. As we have also seen, when local need is sufficed and Zakât funds remain in the repository, it is permissible to move that surplus from a locality to a central *Zakât Bayt al-Mâl* (Zakât treasury) for disbursement. There is no such established entity in America as of yet. In addition, it is crystal clear that legitimate authorities in Muslim polities can transport Zakât as they see fit for the greater good of all. In the absence of this, Shaykh Yusuf Qardawi argues, the Muslim individual inherits that authority in the case of his or her own Zakât payment: “Individual payers can...decide whether to transport due Zakât to needy relatives, to people who are in dire need, for essential public interests of Muslims, or to a pivotal Islamic project in another country” (*Fiqh az-Zakat*, 517). He states, as well, that the Zakat agency must not transport all the collected Zakât unless there is no local need at all for Zakât funds” (*Fiqh az-Zakat*, 517). There are other stipulations that permit removal of some Zakât funds outside the community. If Muslims of one community are affluent and without essential need, or if there is an overwhelmingly more urgent need elsewhere—extreme poverty, life-threatening displacement, catastrophic loss—then a portion of Zakât from one community *must* be moved to another—even if very far away. Muslims are brothers one to another, and they are like one body. We cannot look away from Muslims anywhere in need—even if this should mean that we sacrifice

some of our own need for the sake of solidarity, and to relieve the suffering of other Muslims. There is evidence that the Prophet ﷺ practiced this. And Imam Mâlik said: “It is not permitted to move Zakât [from one locality to another], unless its need is more urgent in another locality” (*Al-Amwâl*, 595). The practice seems clear that a locality’s poor and needy should be sufficed, and, in the case of dire need, a portion of Zakât can and should be transported to help the desperate (*Fiqh az-Zakat*, 515–17).

¹“The Idea of Philanthropy in Muslim Contexts,” Jon B. Alterman and Shireen Hunter, The Center for Strategic and International Studies, February 22, 2004.

10. Zakât Calculation

Can the Zakât Foundation Help Me Calculate My Zakât?

Yes. The Zakat Foundation of America is exclusively focused on helping Muslims fulfill this essential middle pillar of their faith and on establishing the crucial cornerstone of charity in their worship. We are well acquainted with Zakât as it relates to the various types of wealth that Muslims in America and the West generally possess. We know the pressing Zakât and *sadaqah* questions and strive to provide religiously precise and socially relevant answers. In response to the inquiries and needs of many people like yourself, we have developed a model to help Muslims in the West accurately and easily calculate their Zakât, and we have reduced this model to an efficient Zakât worksheet. It is especially tailored to the Zakât calculation needs of the Muslim on salary, the small business owner, the stock market investor, and those with pension plans.

Is Your Zakât Calculation Form Like Others I've Seen?

No. This is a totally new and well-researched model that will enable you to calculate your due Zakât with reliable accuracy. The form is not long. It covers the most common Zakât issues today. So it leaves off specialized or rare wealth occurrences for Muslims in the West. The form is practical, and, unlike almost all the other published Zakât calculation forms (most

of which we researched), it is complete, uncomplicated, and much more practically grounded in the Zakât scholarship of Muslim jurists, past and present.

How Do I Use the Zakât Foundation Calculation Form?

Our goal is ever to empower Zakât payers to calculate their Zakât payments with ease, confidence, and trustworthy accuracy. Straightforward instructions and notes explain the **Zakât Foundation Zakât Worksheet** (see Appendix). They also refer one to the relevant parts of this book for further explanatory details.

What Does Your Zakât Calculation Form Not Cover?

If you recall, there are five types of zakatable wealth:

1. PERSONAL
2. BUSINESS
3. LIVESTOCK
4. AGRICULTURAL PRODUCE
5. TREASURE TROVES (mining, extraction, discovery, etc.)

This form covers types 1 and 2, the major wealth forms for Muslims in America and the West. If you have zakatable wealth of another type, read “Zakât Assessment” (Chapter 6) in this booklet, consult a scholar, or contact us at inquiries@thezakat.org for assistance. Here is the form:

| LINE # | LINE ITEM | AMT/ VAL (A) | ZAKÂT RATE (R) | ZAKÂT DUE (Z) |
|--------|--|--------------|----------------|---------------|
| | PERSONAL WEALTH | | | |
| 1. | Personal cash on hand and in bank accounts | \$... | 2.5% | \$... |
| 2. | Total value of gold, silver and precious items | \$... | 2.5% | \$... |
| 3. | Total value of stocks, shares, and bonds | \$... | 2.5% | \$... |
| 4. | Total cash value of retirement accounts and pension plans: IRA, Keogh, deferred income, 401(k), life insurance, etc. | \$... | 2.5% | \$... |
| 5. | Loans made to others and expect to be paid back | \$... | 2.5% | \$... |
| 6. | Other expected receivables such as estimated tax refunds, refundable deposits, and salary or professional payments you are entitled to as of Zakat Due Date | \$... | 2.5% | \$... |
| | BUSINESS WEALTH | | | |
| 7. | Business cash on hand and in bank accounts | \$... | 2.5% | \$... |
| 8. | Net value of business inventory or any trade goods | \$... | 2.5% | \$... |
| 9. | Total business receivables as of Zakat due date | \$... | 2.5% | \$... |
| 10. | Net income from business or exploited assets during the year | \$... | 2.5% | \$... |
| 11. | Current value of real estate properties held for investment or sale | \$... | 2.5% | \$... |
| 12. | ZAKÂT TOTAL: Enter A12 as sum of 1 through 11 (A column). If A12 is less than Nisab, enter 0 in Z12. Otherwise, enter Z12 as sum of 1 through 11 (Z column) | \$... A12 | | \$... Z12 |
| | DEDUCTIONS | | | |
| 13. | Outstanding Necessary Debts | \$... A13 | 2.5% | \$... Z13 |
| 14. | Zakat Paid in Advance During the Year | | | \$... Z14 |
| 15. | TOTAL DEDUCTIONS: [Z13 PLUS Z14] | | | \$... Z15 |
| 16. | REMAINING ZAKÂT DUE [Z12 MINUS Z15] | | | \$... Z16 |

11. Beyond Zakât

Are Muslims Obligated to Pay Charity Other Than Zakât?

Yes. The following verses of the Quran serve as a guide for Muslims to understand the breadth and depth of their obligation to give charity:

➡ [O believers!] You shall worship God [alone]. And you shall not associate anything with Him [therein]. And to [your] parents you shall be good, as well as to close relatives and orphans and the indigent; and also to the neighbor who is near, and to the neighbor who is distant; and to the companion by your side, and to the wayfarer; and to those whom your hands rightfully possess. Indeed, God does not love anyone who is self-conceited, boastful—those who are miserly and enjoin miserliness on people, and who conceal whatever God has given them of His bounty. Thus have We made ready for the disbelievers a disgracing torment. [Nor does God love] those who spend their wealth merely to be seen by people, while [in truth] they do not believe in God, nor in [the coming Judgment of] the Last Day. So [as to] such [as these] for whom Satan becomes a close companion—how evil a close companion [they have chosen]! For what [harm] would come to them were they to believe in God and [in the coming Judgment of] the Last Day and spend [charitably] from all that God has provided them? And ever is God all-knowing about them. Indeed, God wrongs none, [not even] an atom's weight. Yet if there

is a good deed, He multiplies it and gives, moreover, from His own bounty a magnificent reward [in the Hereafter]. (Al-Nisâ', 4:36-40)

Can You Name Other Obligatory Alms or Charity?

For one, there is Zakât al-Fiṭr (also called Ṣadaqat al-Fiṭr) due in Ramadan or before the Eid al-Fiṭr prayer the first morning after Ramadan. Also, the Quran and the statements, acts, and sanctions of the Prophet ﷺ, known as the Sunnah, also indicate that Muslims owe it to one another to extend mandatory material aid to each other whenever there is dire need. So the rich (defined as those with means beyond their own necessities) have an ongoing responsibility to the poor and distressed outside of the Zakât-Charity when Zakât funds prove insufficient to meet such needs. Furthermore, certain events, such as calamity or impending emergency, automatically turn the voluntary individual act of charity into a compulsory obligation upon the whole Muslim community in the behalf of their afflicted brothers and sisters in faith (*Fiqh-us-Sunnah*, 1: 483-488). In addition, as we have seen, Islam entitles (a) close relatives (beyond the immediate family), (b) neighbors, and (c) orphans to a charity obligation from every capable Muslim—again, “capable” being defined as any surplus over and above necessity. The Companion Abû Sa‘îd Al-Khudarî reported that the Prophet ﷺ said to them:

Whosoever of you possesses a spare ride [meaning then, a horse, camel, etc], let him bestow it to one without a ride. Whosoever of you has surplus food, let him bestow it to one without food.

Abû Sa‘îd continued: The Prophet ﷺ

went on naming various types of wealth until we thought we had no right to anything beyond our basic necessities. (Muslim, No. 1728)

What Is the Obligation of Zakât al-Fiṭr?

Zakât al-Fiṭr, as stated above, is an obligatory charity that comes due at the end of fasting in Ramadan, the ninth lu-

nar month of the Islamic year. It means the Alms of Fast-Breaking because it marks the end of the compulsory fast of Ramadan. It was instituted by the Prophet ﷺ in the same year Allah obliged fasting Ramadan on all able Muslims, in the second year of Hīrah. Unlike Zakât al-Mâl, which is a compulsory alms on wealth, Zakât al-Fiṭr is obligatory on all Muslims themselves, regardless of wealth (according to almost all scholars) with no exception, rich or poor, male or female, young or old, so long as one has provision enough for the day of Eid for oneself and one's dependents. Anything over and above this (save ones normal possessions) qualifies one to pay the Zakât al-Fiṭr. The recipients are the same as those eligible for Zakât, but the strong emphasis is, again, on the poor.

What Is the Purpose of Zakât al-Fiṭr?

The purpose of Zakât al-Fiṭr is (a) to purify one from the imperfections of his or her fast during Ramadan (fasting meaning more than physical abstention from food and intimacy, but from all unseemly acts of speech, thought, and all the senses, for the pleasure of God). Zakât al-Fiṭr purifies the fast of the faster from such blemishes; (b) it enables the poor to partake in the celebration of the Eid of Fast-Breaking with joy; and (c) its modest amount trains

Charity Is Never Lost

Once, a servant of the scholar Dâ'ûd Al-Ṭâ'î said to him:

Would you like me to prepare for you a most wholesome meal? He said that he would. So she prepared for him a gracious meal, then brought it to him. He then inquired of her as to the condition of the orphans his friend had left. She said their situation was unchanged. He said: 'Take this meal to them.' She said: Yet you have had no good meal for a very long while. He said: 'But if they eat it, Allah will save it for us with Him, while if I eat it, it will vanish in my stomach.'

(*Tārīkh Baghdad*, 8:353)

all Muslims to become independent givers of charity. The Prophet said of the poor in relation to Eid and Zakât al-Fiṭr: “Satisfy them this day” (*Fiqh az-Zakat*, 573).

What Is the Payment of Zakât al-Fiṭr?

Zakât al-Fiṭr is a minimal payment, traditionally offered according to the measure of a *sâʿ*, a volume measure of about 2 kg of dates, raisins, wheat, rice or other dry food commodities. While

Does Charity Decrease Wealth?

The Prophet ﷺ said:

I swear upon three, and ask that you mark my words:

- ♦ Wealth shall never decrease out of charity
- ♦ He who suffers injustice with patience, Allah shall grant strength
- ♦ He who takes to begging, Allah shall impoverish.

(Muslim)

this food amount is the preferred Zakât al-Fiṭr payment, according to the traditional schools of law, with the exception of one, the Ḥanafîs, it has long been agreed by Muslim scholars (and it has been the approved practice of many Muslim communities) to substitute in-kind payments with an equal-worth store of value if the secondary store is more useful for the poor. In the case of America, that secondary store is cash, determined to be in the amount of \$7 to \$10 for each and every Muslim, a generally affordable amount. Heads of household are responsible for the obligations of children (including infants), and husbands for wives (ac-

cording to most scholars), but it is better to let each one who has any means of their own at all pay it from his or her own wealth, even children.

Is There a Charity for Eid al-Aḍḥa Like Zakât al-Fiṭr?

Eid al-Aḍḥâ, or The Sacrificial Holiday, marks the end of the Hajj-Pilgrimage to the Kaʿbah in Makkah, the first House of

God established on earth. This holiday is called “Sacrificial” because the Pilgrimage culminates in a sacred offering of a lamb, goat, cow, or other such lawful animal, a portion of whose meat must then be distributed for consumption to the poor. This sacrifice is called *udḥiya* (also, *qurbânî*). The practices of Ḥajj-Pilgrimage and *udḥiya* date all the way back to the first man and prophet, our father Adam. It is, however, specifically associated with its revival by Abraham, who saw in a divine dream that he was to sacrifice his firstborn child, Ishmael, granted by Allah to him as a blessing in his old age. When the two prophets, father and son, submitted themselves willingly to Allah in fulfillment of so awesome a divine test, Allah prevented Abraham at the very moment of truth and substituted a ram for sacrifice in place of Ishmael. It is this total submission and miracle that Muslims commemorate every year in celebration of the faith of Abraham (the same religion that Muslims follow) along with the completion of the Ḥajj-Pilgrimage. Not only pilgrims on the Ḥajj, but Muslims the world over make sacrifice for the sake of God of a lawful animal, distributing a portion of its meat to the needy poor, if they are so able. The Prophet ﷺ said:

Whosoever can afford to offer sacrifice yet does it not, let him not approach our place of prayer. (Aḥmad, Ibn Mâjah)

Is Uḍḥiya an Obligatory Charity?

Our scholars have characterized the practice of *udḥiya* as either a confirmed practice of the Prophet ﷺ (which nearly carries the weight of an obligation), or as an outright obligation (*wâjib*). The first opinion is that of the three schools of Sacred Law established by Mâlik, Al-Shâfi‘î, and Aḥmad ibn Ḥanbal. The latter opinion is from Abû Ḥanîfah, as well as others. So neglect of the *udḥiya* when one is able to do it is in the least case a reprehensible (*makrûh*) act and possibly an outright violation of a compulsory religious injunction. Obviously we should provide for sacrifice if at all we can.

What Is the Muslim's Duty to His or Her Neighbors?

To care for one's neighbor, near or far, is a commandment of God, as we have seen in the verses of the Quran that open this chapter. The Prophet ﷺ said:

Gabriel [the Angel of Revelation] enjoined me incessantly with the care of my neighbors, to the extent that I thought that God would grant my neighbors the right to inherit me. (Ibn Mâjah)

The Prophet ﷺ said, as well:

He is no believer who sleeps full while his neighbor beside him is hungry. (Ṭabarânî)

Who Comes Under the Designation "Neighbor"?

"Neighbor," as the Quran uses it, is an encompassing term, for individuals, peoples, nations and so forth. It does not merely denote the person next door. It has been said that, for the individual, it constitutes "forty houses" (Abû Dâ'ûd), which others have clarified as meaning "forty houses" in every direction. One is to care for one's neighbors in need, be mindful of their circumstances, do kindness unto them, even if their actions are contrary toward one. The Prophet ﷺ himself exemplified this when a neighbor boy who rejected him and strew garbage daily before his doorway one day spread no litter. The Prophet ﷺ immediately inquired after his condition, and found he was sick. The Prophet ﷺ at once visited the boy and tended to his needs during his sickness.

Are We Obligated to Encourage Others to Charity?

Muslims must aid others in need and exhort their fellows in faith and humanity to do the same. The Quran levels severe threat in the Hereafter against one who did not believe in God, the Magnificent. Nor did he urge the feeding of the indigent (Al-Hâqqah, 69:33-34). Thus, people are, by their example and outspoken insistence, to create an atmosphere in their circles and society of caring for the needy. Indeed, to do otherwise is a marked characteristic of one who denies the

coming of Judgment Day. God says of such a one:

- ⇒ Have you seen one who belies the [Last] Judgment? This, then, is the [same] one who repels the orphan, and who will not urge the feeding of the indigent. So woe to all those who pray—that is those who are unmindful about their Prayers, those who only make a show [of worship], while they withhold [basic] aid [from others]. (Al-Mâ‘ûn, 107)

God speaks to us of the faithless impulse in people to cut the deserving from our own charity and our call to compassion:

- ⇒ No indeed! [It is a test of faith!] But you [human beings break the covenant of God: You] do not give generously to the orphan. Nor do you urge one another to feed the indigent. (Al-Fajr, 89:17-18)

Can Charity Gain One Forgiveness from Wrongdoing?

Yes. This is called *kaffârah*, or atonement. Its forms are several and its uses are broad. Giving charity, in general, for the sake of Allah’s forgiveness is an inherent part of charity, in and of itself. This means that one may give charity at any time with the intent of expiating sins or wrongdoing, both the wrongs we know we have committed and those we have done unwittingly. Here are three common types of *kaffârah*:

1. **THE ATONEMENT OF OATHS:** If one swears an oath but is unable to fulfill it, or breaks a promise, God has provided expiation by way of charity. One may feed 10 poor people their meals for a day or clothe them. This atones for one’s unfulfilled vow while helping others in need.

- ⇒ God will not hold you accountable for unintended vows in your oaths. But He will hold you accountable for what you have [intentionally] bound yourselves to by oaths, the atonement of which is feeding ten indigent people with the average of what you feed your own families; or clothing them; or freeing a human being from bondage. But if one [of you] does not find [such means], then fast three days [instead]. That is the atonement for your oaths,

when you swear [and break them]. So guard your oaths. Thus does God make clear to you His [revealed] signs, so that you may give thanks. (Al-Mâ'idah, 5:89)

2. **THE ATONEMENT OF FASTING:** Those unable to fast Ramadan, either all or part, due to age or condition, may substitute the fasting days missed by giving to the needy for each day.

➡ But one among you who is sick or is on a journey [shall fast] the same number of other days. Yet for those who are [hardly] able to endure it, [and do not fast,] the redemption [for each day] is feeding an indigent person [instead]. And if one volunteers a good offering [over and above this], it is better for him, [still]. However, if you fast [despite difficulty], it is best for you, if only you were to know. (Al-Baqarah, 2:184)

3. **THE HAJJ SACRIFICE (AL-HÂDÎ):** The *hâdî* refers to the sacrifice of a lawful animal during the proper time in Hajj season, as we have discussed above. It can also be seen as atonement, but a mandatory one that is part of the Pilgrimage ritual.

Other kinds of atonement, *kaffârah*, also as set forth above, can be offered at any time in seeking the forgiveness of God. But it is also a specific solution to violations of one's proper worship or transgressions identified in the Quran or by the Prophet ﷺ. In general, this involves either sacrificing a lawful animal and distributing its meat to the poor or giving other charity to specified numbers of people.

Are There Charitable Endowments in Islam?

Yes. The proper term is *waqf*, which means charitable endowment. The virtue of the charitable *waqf* is that it is a form of wealth that yields charity while maintaining its original integrity and form. Thus, one places something of value, like land, a building, or some other asset in *waqf* so that all its benefits go to the poor or others in need, while the land or asset remains as is. The Prophet ﷺ himself laid the foundation

for *waqf* in the following authentic *ḥadīth* statement: ‘Umar ibn Al-Khaṭṭāb’s son reported:

My father obtained a parcel of land in Khaybar and said: ‘O Messenger of Allah! I have property in Khaybar that is the best of my possessions. What do you command me to do with it?’ The Prophet ﷺ said: ‘You may desire to give it in charity (*ṣadaqah*), while maintaining it for its original use.’ So ‘Umar gave the land as charity on the condition that it could not be sold, given away, or inherited by anyone. Rather, he instructed that the land was to be used and invested for the benefit of the poor, the weak, the wayfarers, and to free slaves. (Bukhārī and Muslim)

What Are the Best Uses of Charitable Endowments (Awqāf)?

There are four primary purposes of Charitable Endowments (pl. *awqāf*, s. *waqf*):

1. **SOCIAL:** To serve designated sectors of needy or distressed individuals with all proceeds, such as orphans, widows, those with disabilities, the elderly, the blind or deaf, divorced women, the unemployed, and so on. There are no limits to designees in society that a *waqf* may serve, except lawfulness.
2. **RELIGIOUS:** To establish foundations for mosques, or the building of new mosques, schools, stipends for imams, teachers, students studying Islam, etc.
3. **EDUCATIONAL:** To underwrite the operations or special programs of schools, private libraries, and media centers; or to pay salaries of teachers, program directors, or administrators; or to award scholarships to students based on merit, on need, on institutions; or to fund specialized presses for text books or public dissemination of knowledge. Historically, Muslims established “copy houses” that hired writers to hand-copy, translate, or abridge books for students. This tradition became an established part of many universities, colleges, and libraries as an independent department.

4. **ENVIRONMENTAL:** To provide water works, such as eco-friendly land irrigation, water tunnels, and public wells and bathrooms; to plant new forests or manage existing ones; to manage waste disposal, to build guest houses and other public service facilities.

Zubaydah, the wife of the celebrated Caliph Hârûn Al-Rashîd, established the well-known *waqf*, Zubadydah's Waterway, a channel engineered to provide free potable water to Makkah to ensure that pilgrims had access to clean water to drink and perform ablutions during Hajj. Farms may be designated as *waqfs*, with harvest proceeds earmarked for the benefit of the poor. Money can be set aside as a *waqf* for a mosque, a school, or other establishment, the capital invested under the authority of an investment manager and preserved, the profits only going to the institution. Money *waqfs*, that is, financial endowments, are highly restricted, however, to substantially reduce risk, conflict of interest, or loss of the original endowment.

Are Donor Restrictions Enforceable in a Waqf?

Yes. Donor restrictions are of the essence of all *waqf* endowments, just as with all charitable giving in Islam. Neither government, nor foundation, nor trustees have the power to alter an endower's intentions and restrictions once the *waqf* is legally established, in accordance with Sacred Law. The only exception, according to Muslim scholars, is the disappearance of the cause for which the *waqf* was originally established. If, for instance, a *waqf* endowed a public health research facility dedicated solely to the eradication of a disease, and the designated disease was successfully wiped out, then, through proper legal means, the *waqf* could modify its mission toward a similar end, under the auspices of qualified Islamic juristic opinion setting forth the limits of change.

What Does the Word 'Ṣadaqah' mean?

Literally, '*ṣadaqah*' means "to speak the truth." It is applied tech-

nically to “voluntary charitable giving” because when one gives of one’s wealth freely and of one’s own accord to others such an act “speaks the truth” about one’s “sincere” faith, the word ‘sincere’ being another connotation of ‘*ṣadaqah*.’ In the sense of voluntary charitable giving the specialized phrase *zakât al-taṭaww‘ah*, or optional alms, is synonymous with ‘*ṣadaqah*.’

How Does Ṣadaqah Differ from Zakât?

Zakât is an obligatory alms on the wealth of Muslims for the Muslim poor and distressed (exceptions noted previously). The Quran sometimes uses the word ‘*ṣadaqah*’ to mean Zakât. But in its general technical usage, the word ‘*ṣadaqah*’ denotes not a mandatory alms on wealth but a person’s voluntary offering of some form of benefit to another. God has imposed Zakât on Muslim wealth in behalf of the poor and needful, so as not to leave the weak at the mercy of the strong, but to grant them a divine right in God’s wealth, entrusted to humanity as a blessing and as a test. Yet the Giver of all things is very clear in the Quran that nobility can be attained by men and

Treat Others As You Wish for Allah To Treat You

The great scholar Ibn Al-Qayyim said:

Those who treat kindly [the creatures of] Allah’s creation, Allah shall treat kindly. Those who show them mercy, He shall show mercy. Those who do well unto them, Allah shall do well unto. Those who are generous with them, Allah shall be generous to. Those who benefit them, Allah shall benefit. Those who cover over their errors, He shall cover over theirs. Those who do no benefit to [the creatures of] Allah’s creation, Allah shall deprive of His bounties. And so it is that the way they treat Allah’s creation, Allah shall treat them—in the very same manner, in this life and the Hereafter.

women only by giving of that which they love “freely”—and the human being does, indeed, love wealth ardently and with a consuming passion. So Allah in the Quran provides that divine encouragement and avenue of spiritual enlightenment to men and women through exhortation to give *ṣadaqah*—with only general guidelines and not as specified obligations. Thus *ṣadaqah* benefits giver and receiver alike, both spiritually and materially. For God reimburses the giver’s wealth and multiplies it, and also elevates him or her in piety; and He causes the poor to be enriched by a real asset, and this, in turn, raises the receiver’s spirit of gratitude to both God and people.

What Does Islam Seek Through Ṣadaqah?

Islam seeks to put people in touch with and strengthen the admirable qualities of the human soul. *Ṣadaqah* invokes our greatest character: Mercy. For it is mercy that calls forth from deep within us a sense of common identity with others. We see ourselves in them, and learn to want for others what we desire for ourselves. That is the highest state of man in society. In this way do we grow in compassion, until we *freely* choose to share our wealth with the materially less fortunate. Above all, Islam understands man, knowing that no matter how stringent a coercive power, such as a government, may become in trying to enforce rules of equity, these policies are meaningless if people lack the heart to apply them. The truth is we are not machines to be turned on at the flip of a switch. Most people would gladly spend to help others out of altruistic kindness, when something peaks their humanity. For this reason, Islam emphasizes the human side of mortal responsibility in the religious-social outlook, which it does by encouraging people to remember benevolence between themselves and responsibility toward their fellows in creation. So *ṣadaqah*, voluntary charitable giving, becomes the way that Islam recalls to human beings their own humanity. These ideas are at the core of many, many of the Quran’s verses, which stress both the good virtues and the great rewards people who

selflessly give to others—even though they themselves are in need—receive in this life and the inevitable Hereafter.

What Are the Forms of Ṣadaqah?

They are countless. The Prophet ﷺ said:

There is a charity to be given for every joint of the human body each day upon which the sun rises. To judge justly between two is a charity. To help one mount one's beast, or by lifting one's bags on to it, is a charity. To speak a good word is a charity. Every step to the Salât-Prayer is a charity. To remove an impediment from the road is a charity. (Bukhârî, 3:870)

The Prophet ﷺ said also:

A Muslim plants or sows nothing from which a person, an animal, or anything else eats, save that it is a charity for him. (Bukhari, 3:513)

The Prophet ﷺ is teaching us that an act of charity need not come in the form of monetary value. God has commanded Muslims to enjoin good and forbid evil so as to uphold human society. The simplest deeds that help people are the practical fulfillment of this commandment. Thus the Prophet ﷺ said:

Charity has been enjoined upon each child of Adam in every day the sun rises.

He said, moreover, to those who asked him, "From what shall we give daily?"

The doors of goodness are many....Enjoining good. Forbidding evil. Removing harm from the road. Listening to the deaf. Leading the blind. Guiding one to the object of one's need. Rushing by the power of one's own legs to one in sorrow who asks for help. Supporting the feeble with the strength of one's own arms. All of these are charity enjoined upon you. (Ibn Hibbân)

What is Ṣadaqah Jâriyah?

One of the most effective and very best kinds of giving is *ṣadaqah jâriyah*, literally, "running charity," so called because

it “runs on” in life and after death like a flowing stream. Islam lays emphasis on this type of charitable giving because its gift bestows both the giver and the beneficiary with blessings that continue to reward recipients and the gift-maker even long after the endower has died. The efficacy of *ṣadaqah jāriyah* is that it has long-term benefit. So, if one builds a house of worship, for instance, its advantage “runs on” for its attendants and its contributor so long as worshippers pray in it—even for centuries. Whoever helped establish it will continue to receive ongoing divine reward from Allah for their single *ṣadaqah*, their one charitable deed.

Ṣadaqah jāriyah is not limited to the building of mosques or schools, of course. Nor is it exclusively charity toward people. It encompasses innumerable things that have perpetual benefit to all the living. A *ṣadaqah jāriyah* that is especially emphasized is one that produces a source of beneficial knowledge, like writing a book that benefits people in any worthy aspect of their lives. In this case, even after a writer dies, as long as the book is read and helping people, he or she will continue to receive reward for it in the grave. The Prophet ﷺ said:

When one dies, all his good deeds cease save three:

- ✦ *Ṣadaqah jāriyah* (ongoing charity)
- ✦ Beneficial knowledge (that one has passed on) [a form of *ṣadaqah jāriyah* the Prophet ﷺ is highlighting]
- ✦ And a righteous child who prays for one (Muslim)

Is It True That Even a Smile Is Charity?

Yes. The Prophet ﷺ said:

Your smile to your brother is a charity. (Bukhari, Tirmidhi, and Ibn Ḥibbân)

Can You Give Me Good Counsel on Zakât and Ṣadaqah?

The best advice is that of the Quran. Know that Zakât and *ṣadaqah* share a crucial condition: Both are *‘ibâdah*, or worship.

Indeed, *ṣadaqah* is received, in the spiritual realm, directly by Allah, who counsels us in the Quran:

- ⇒ Do they not know that it is God [alone] who accepts repentance from [all] His [true-hearted] servants, accepting, as well, [their sincere] charitable offerings, and that, indeed, it is God [alone] who is the All-Relenting, the Mercy-Giving? Therefore, say [to them]: Do works [of righteousness]! For God will assuredly see your work, and so will His Messenger and the believers. Moreover, you shall be returned [in the end] to the [Sole] Knower of the [realms of all the] unseen and the seen. Then He shall tell you [the due recompense] of all that you have been doing [in life]. (Al-Tawbah, 9:104-05)

Afterword

Building A Zakât-Conscious Society

So, how do Muslims today, in far-flung lands, under widely divergent social and economic pressures, restore Zakât to its pivotal position precisely in the middle of Islam's famed Five Pillars—and our own collective conscience as a spiritual nation?

I think a hint of this answer resides in the scholarly debate that has always surrounded Zakât. Our rightfully esteemed 'ulamâ' not only agree but insist that to accept Islam is to affirm Zakât as a divine obligation, and to fulfill that obligation is to confirm one's Islam. This much is unshakable consensus. Zakât is *of the essence* of Islam and must be tabulated, paid and outlaid annually.

Yet some hold Zakât to be a deed owed to God, others a duty to man. Between these two views hangs a spiritual-material bridge of truth that the early generations of Muslims knew intimately and traversed with ease. It is an act of worship *by* which the rich thank God for surplus bestowed and *through* which they purify their wealth. But it is also a trust from God with the prosperous that matures yearly; and divine justice obliges them to hand it over at its due term to its rightful owners: The poor and needful.

To understand this binary nature of the obligation of Zakât—its worldly and otherworldly ends—is to unify one's

creed and deed, one's work and worship, one's sincerity and society, one's community and Ummah. It is to fuse one's here and Hereafter.

Mushfiqur Rahman, in *Zakat Calculation*, asks a very basic, even mundane question: *Can we transform our society into one where every Muslim takes Zakât as seriously as his or her taxes*—eager to calculate their divine due at the close of the Zakât-year? Can we ever re-establish Zakât in our day-to-day practice of Is-

***The Learned Give Both
Knowledge & Wealth
Freely***

Imam Al-Layth ibn Saʿd, who had great wealth, said:

He made a 1,000 dinars a day, a huge amount in his time. Yet he paid no Zakât on it, giving it away in charity. Each day he would not speak until he had dispensed charity to three hundred and sixty of the poor.

(*Târîkh Baghdad*, 8:353)

lam like that first illustrious Muslim generation that founded Madinan society on it? He adds: “If the question, *Have you prepared your tax return?* is taken without offense, then—especially during the month of Ramadan—so [too] should...*I calculated my Zakât last weekend. Have you done yours?* [be inoffensive]” (*Zakat Calculation*, 19-20).

The point is that becoming a Zakât-conscious community is not a philosophical problem. It is a very deliberate, practical, and overt campaign to adjust our inner attitudes as Muslims, within ourselves and between each other. We should ask one another, exhort each other, help

relative and neighbor to become mindful of Zakât, be meticulous in its calculation, systematic in its payment, comprehensive in its disbursement.

In our families, let husbands and wives set dates for doing their Zakât, devise strategies for it, investigate the responsibilities and possibilities of it. Let parents teach their children to handle “their” money with Zakât in mind—that

means picking Zakât due dates and becoming conscious of the issues of *ḥawl* and *niṣâb*. Then on some sacred night in Ramadan, or some special mark like the first of Muḥarram, let them break out the calculators and tally up the totals—work through the Zakât form—and pay whatever comes due. Truth be told, plenty of our children likely possess *niṣâb* on any given Zakât due date. Thus by Sharî‘ah standards, this, in fact, obliges them to pay Zakât, like they make Ṣalât at the end of its allotted time.

Even if our children have no Zakât to pay, let them calculate it anyway, by the best means they can. Let them look with new eyes upon their enormous bounties, given by a gracious Lord whom they owe worship and an un-payable debt of remembrance. Yes. Let them remember—back through the ages unto their Prophet ﷺ and up through the spheres beyond the Seventh Heaven. It is the responsibility of parents to teach this to their children, and what a world of difference it will make in their perspective on wealth and the poor and how they grow!

It is the individual awakened to the crisis and promise of Zakât in our age—that it has due dates and times and is a system that is alive—who will stir Heaven and earth around him. For it will necessarily be that the slumbering religious senses of the believers at the Zakât-conscious person’s side will quiver and revive, and the result will be renewed seriousness about paying, collecting, and properly distributing Zakât. Then we will experience

The Giving Habit

‘Abd’Allah ibn Ja‘far used to interrupt his talks to give to the poor. People were astonished and asked him why. He said:

Allah has taught me a habit. So I have taught His people a habit. Allah has given me wealth. So my habit is to give generously to His people in need. For I am afraid that should I stop my habit, then He too would stop His.

(*Wafayât Al-A‘yân*, 3:30)

something reminiscent of that early Muslim generation stirred by the presence of prophethood: A spirit of love for the poor and sacrifice for one's brother—in a word, unity. For such is the promise of the Zakât-conscious society.

And what shall be left, then, but *subhân' Allâh!* and the miracles?

Appendix

Zakât Calculation Worksheet, Instructions, and Notes

NAME _____ ZAKÂT DUE DATE _____ AH _____

| LINE # | LINE ITEM | AMT/ VAL (A) | ZAKÂT RATE (R) | ZAKÂT DUE (Z) |
|--------|--|--------------|----------------|---------------|
| | PERSONAL WEALTH | | | |
| 1. | Personal cash on hand and in bank accounts | \$... | 2.5% | \$... |
| 2. | Total value of gold, silver and precious items | \$... | 2.5% | \$... |
| 3. | Total value of stocks, shares, and bonds | \$... | 2.5% | \$... |
| 4. | Total cash value of retirement accounts and pension plans: IRA, Keogh, deferred income, 401(k), life insurance, etc. | \$... | 2.5% | \$... |
| 5. | Loans made to others and expect to be paid back | \$... | 2.5% | \$... |
| 6. | Other expected receivables such as estimated tax refunds, refundable deposits, and salary or professional payments you are entitled to as of Zakat Due Date | \$... | 2.5% | \$... |
| | BUSINESS WEALTH | | | |
| 7. | Business cash on hand and in bank accounts | \$... | 2.5% | \$... |
| 8. | Net value of business inventory or any trade goods | \$... | 2.5% | \$... |
| 9. | Total business receivables as of Zakat due date | \$... | 2.5% | \$... |
| 10. | Net income from business or exploited assets during the year | \$... | 2.5% | \$... |
| 11. | Current value of real estate properties held for investment or sale | \$... | 2.5% | \$... |
| 12. | ZAKÂT TOTAL: Enter A12 as sum of 1 through 11 (A column). If A12 is less than Nisab, enter 0 in Z12. Otherwise, enter Z12 as sum of 1 through 11 (Z column) | \$... A12 | | \$... Z12 |
| | DEDUCTIONS | | | |
| 13. | Outstanding Necessary Debts | \$... A13 | 2.5% | \$... Z13 |
| 14. | Zakât Paid in Advance During the Year | | | \$... Z14 |
| 15. | TOTAL DEDUCTIONS: [Z13 PLUS Z14] | | | \$... Z15 |
| 16. | REMAINING ZAKÂT DUE [Z12 MINUS Z15] | | | \$... Z16 |

INSTRUCTIONS

1. Zakât is obligatory on every Muslim who possesses Nişâb for a Zakât-year (*ḥawl*, or a Islamic lunar year).
2. Different types of wealth have different *nişâbs*. The *nişâb* on money, which is needed for this worksheet, equals the value of 3 ounces of gold as of your Zakât Due Date (ZDD). Check value of gold at www.goldinfo.net. For example, as of 6/20/2007, an ounce of gold was valued at \$500. So *nişâb* was \$1,500 on that date. NOTE: GOLD PRICED BY TROY OZ, OR 31.1035 GRAMS. US OZ = 28.349523 GRAMS. NIŞÂB = 85 GRAMS PURE GOLD.
3. The passage of an Islamic lunar year is not required on all zakatable wealth. What you end up with at Zakât Due Date is what matters, not the fluctuation of your wealth during the year. (see p. 36-37)
4. Not all wealth is zakatable. Properties and items for personal, family and business use are exempt from Zakât. (see p. 30, also 11, 34, 43-45, 47)
5. ‘Year’ refers to the Zakât-year based on the Hijrah lunar calendar, for which you are calculating Zakât.
6. The payment of Zakât is due exactly at the end of one lunar year (*ḥawl*) from the time *nişâb* is attained, or the last date of Zakât payment, except for agriculture and mining. Once you establish your Zakât-year, the same Hijrî lunar date should be used to calculate your Zakât payment every year. For example, if your Zakât-year is from Ramadan 22nd, 1426 to Ramadan 21st, 1427, then your ZDD should be on the 21st of Ramadan every year. (see p. 37-39)
7. Zakât cannot be calculated jointly. Each individual must fill in a separate worksheet and pay. However, if a married couple combines their same kinds of wealth together, and each has *nişâb* or more, it would not make any difference in your combined results.
8. This worksheet does not cover all five types of zakatable wealth, as discussed in this book. If you have zakatable wealth other than what the Zakât worksheet covers, such as agriculture output and livestock, please check their *nişâb* and Zakât rates in the book. (see p. 34, 46, 58)

NOTES ON ZAKÂT CALCULATION WORKSHEET

- LINE 1:** Multiply Amount (A) by Zakât Rate (R) to calculate Zakât Due (Z). So, $Z = A \times R$. For example, Zakât Due = $\$4000 \times 0.025 = \100 for line 1 in our Sample Worksheet, p. 117.
- LINE 2:** Include here current value of gold, silver certificates, coins, and luxury items. Jewelry is not subject to Zakât unless the intention is to keep it as a store of wealth or its amount is beyond customary use. (see p. 49, 56)
- LINE 3:** Use total value as of ZDD, regardless of the fluctuation during the year. Bonds earn interest, which is prohibited in Islam. (see p. 51, 53)
- LINE 4:** Use their total cash value as of ZDD. Use the following formula, if necessary: **Withdrawal Amount** (MINUS) **Prescribed Penalty** (MINUS) **Prescribed Tax** (EQUAL) **Zakatable Amount**. (see p. 51)
- LINE 5:** These are ‘good loans’ that others owe to you and you expect to be paid back. (see ‘good debt’ p. 53)
- LINE 6:** Such as billable services or last paycheck that you worked for already but that you have not yet received—as well as other money you expect to receive that is yours but not currently with you (for example a deposit on a rented apartment).
- LINE 8:** Trade goods include business merchandise and inventories, such as clothing, foods, equipment, furniture, and jewelry that were bought with the intention to sell for profit. Estimate their wholesale market value as of ZDD. Deduct any outstanding business debts against these trade goods. (see p. 42, 55)
- LINE 10:** Net income from Business = Total Revenue MINUS Operating Expenses, such as payroll, rent, utilities, and supplies. If you share this business with somebody else, multiply net income by your percentage share of business, such 0.5% for owning half of business. Exploited assets are forms of wealth that are not

obtained for trade, but for growth and yield their owners benefits. These may include productive fixed business assets such as factory plants and machinery. This category also includes properties rented for profit such as residential buildings, etc. According to the opinion adopted in this book, when fixed assets are used to generate growth, Zakât is assessed on the growth only at the rate of 2.5 percent of net income. However, the fixed asset itself is exempted from Zakât. When income from business is paid to individual owners, it must be combined with personal zakatable wealth. (*see p. 43, 45*)

LINE 11: Estimate current value of residential, commercial and industrial properties held as investment or designated for sale. The home you live in is excluded.

LINE 12: If A12 is less than *niṣâb*, no Zakât is due ($Z12 = 0$). Otherwise, complete the worksheet.

LINE 13: According to Imams Mâlik, Aḥmad, and Abû Ḥanîfah, debt reduces Zakatable wealth by the amount of debt. However, Shâfi‘î jurists hold the view that Zakât has to do with the wealth under the payer’s control, so debts are not deductible. However, even those who consider debts deductible, hold that only those debts may be deducted that are considered “debt by necessity,” such as personal loans for living expenses. So, loans for residential properties, vehicles, etc. are not deductible. (*see p. 54*)

LINE 14: Prepayment of Zakât is allowed according to most jurists, provided one intends at the time of payment to pay one’s Zakât, not a voluntary *ṣadaqah*. Anyone who has not paid Zakât in the past must pay it retroactively immediately. (*see p. 71*)

LINE 16: Remaining Zakât Due = $Z12 - Z15$. Give your Zakât with sincere intention to eligible recipients, asking Allah, exalted and transcendent to accept it from you. (*see p. 74, 107*)

Sample Worksheet

NAME: Abdullah Ahmad ZAKÂT DUE DATE: 21 Ramadan 1428 AH

| LINE # | LINE ITEM | AMT/ VAL (A) | ZAKAT RATE (R) | ZAKAT DUE (Z) |
|--------|--|--------------------|----------------------|---------------------|
| | PERSONAL WEALTH | | | |
| 1. | Personal cash on hand and in bank accounts | \$4000 | 2.5% | \$100 |
| 2. | Total value of gold, silver and precious items | \$0 | 2.5% | \$0 |
| 3. | Total value of stocks, shares, and bonds | \$12,548 | 2.5% | \$313.5 |
| 4. | Total cash value of retirement accounts and pension plans: IRA, Keogh, deferred income, 401(k), life insurance, etc. | \$15,000 | 2.5% | \$375 |
| 5. | Loans made to others and expect to be paid back | \$1,500 | 2.5% | \$37.5 |
| 6. | Other expected receivables such as estimated tax refunds, refundable deposits, and salary or professional payments you are entitled to as of Zakat Due Date | \$3,000 | 2.5% | \$75 |
| | BUSINESS WEALTH | | | |
| 7. | Business cash on hand and in bank accounts | \$5,500 | 2.5% | \$137.5 |
| 8. | Net value of business inventory or any trade goods | \$0 | 2.5% | \$0 |
| 9. | Total business receivables as of Zakat due date | \$2,000 | 2.5% | \$50 |
| 10. | Net income from business or exploited assets during the year | \$7,800 | 2.5% | \$195 |
| 11. | Current value of real estate properties held for investment or sale | \$120,000 | 2.5% | \$3,000 |
| 12. | ZAKAT TOTAL: Enter A12 as sum of 1 through 11 (A column). If A12 is less than Nisab, enter 0 in Z12. Otherwise, enter Z12 as sum of 1 through 11 (Z column) | \$171,340 A12 | | \$4,283.5 Z12 |
| | DEDUCTIONS | | | |
| 13. | Outstanding Necessary Debts | \$0 A13 | 2.5% | \$0 Z13 |
| 14. | Zakat Paid in Advance During the Year | | | \$2,200 Z14 |
| 15. | TOTAL DEDUCTIONS: [Z13 PLUS Z14] | | | \$2,200 Z15 |
| 16. | REMAINING ZAKAT DUE [Z12 MINUS Z15] | | | \$2083.5 Z16 |

AUTOMATIC ZAKÂT CALCULATOR

Please note that you can access our Interactive Zakat Calculator online at *www.thezakat.org*. Compute your due Zakât, select the recipients you would like to give your Zakât to, and pay it online all in one place. Also, you may post additional questions online that will be directed to our Zakât scholars for response.

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