

# ZAKAT

Zakat is one of the major religious duties in Islam. Literally, Zakat means to "purify". It refers to the purification of believers' wealth and soul. Wealth purification denotes the mobilization of assets for the purpose of financial growth and justified distribution. Purification of the soul implies freedom from hatred, jealousy, selfishness, uneasiness and greed. Other Quranic connotations also include the purification of sin.

Zakat is a fixed proportion collected from the surplus wealth and earnings of a believer. It is then distributed to prescribed beneficiaries and for the welfare as well as the infrastructure of a society in general. This contribution is made payable by a Muslim once every year.

Zakat is paid on the net balance after a Muslim has spent on basic necessities, family expenses, due credits, donations and taxes. Every Muslim male or female who at the end of the Hijri year is in possession of the equivalent of 85 grams of gold (7.5 Tola) or more in cash or articles of trade, must pay his or her zakat at the minimum rate of 2.5 percent.

Zakat has a deep humanitarian and social-political value. This religious act prevents the hoarding of wealth and advocates solidarity with humanity because excessive wealth is distributed amongst the poor. The paying of zakat also helps purify one's soul and encourages a person to have gratitude towards God's bounties.

Zakat is among the major matters of Islam. During the second year after the migration (**2<sup>nd</sup> Hijri**), Allah made it obligatory. Zakat is mentioned along with Salat (prayer) in 20 verses of the Quran.

It was first revealed in Surah Al-Muzammil ([73:20](#))

"... and establish regular prayers and give regular charity; and loan to God a beautiful loan. And whatever good ye send forth for your souls, ye shall find it in God's presence, Yea, better and greater in reward and seek ye the grace of God: for God is oft-forgiving, Most Merciful."

God says in the Quran: Surah Al-Bayyina (98:05)

"They were enjoined only to worship God, sincere in their faith in Him alone - and of upright religion - and to establish the Salat and the Zakat. Such is the upright religion, ([98:5](#))

Surah Toubah (09:34-35)

"Those who lay up treasures of gold and silver and spend them not in the way of God; give them the news of a painful punishment, on the Day when that (wealth) will be heated in hellfire, and their foreheads and their sides and their backs branded therewith: "This is the treasure which you laid up for yourselves! Taste, then, your hoarded treasure!" ([9:34-35](#)).

## Conditions for Zakat

Several conditions must be fulfilled before zakat can be paid. Zakat is the amount of money that every adult, mentally stable, free, and financially able Muslim, male and female, has to pay to support specific categories people. These conditions are necessary as zakat can only be applied on those who are of legal age and who own enough assets. These conditions are categorized into two broad categories, namely performer and asset. Every Muslim who is of a certain age and owns enough assets is required to pay zakat.

## **Zakat Asset**

Full Ownership A Muslim will only be required to pay zakat if he or she has full and legal ownership of an asset. Zakat is payable only on those assets that are acquired for the purpose of creating or generating wealth. Some examples of this type of assets are livestock or crops that are traded or sold, inventory of goods used for trading, and investments such as gold or securities that have potential for appreciation in value.

## **Assets that exceed a minimum value**

Zakat need only be paid on those assets that exceed a minimum value. This minimum value is calculated based on the market price of 85 grams of gold (7.5 Tola) or 595 grams of pure silver (52.5 Tola). This minimum value is termed Nisab. The Islamic Fiqh and Research Councils, as well as Jumhur (majority) of Ulama' recommend that gold be used as the basis for the calculation of nisab.

## **Amount of Zakat**

Amount of zakat can vary from product to product. All items can be included those can perform the role of source of earning money. Normally we take the nisab level to calculate the amount for zakat. If a person has surplus wealth like 85 gm of Gold (7.5 Tola) or 595 gm of Silver (52.5 Tola) or equivalent Cash than he should pay 2.5% of excessive amount as zakat. Zakat on agriculture produce is 5% if water is brought there manually and if land watered naturally than amount is raised to 10%. On minerals or buried wealth the prescribed amount is 20%.

## **Completion of Haul**

Haul is defined as the completion period for a zakat asset. The length of time for haul is one Islamic or Hijri year (1 year Hijri = 354.5 days, 1 year Solar = 365.25 days). Zakat is only payable on assets that have been held for at least this period.

## **Beneficiaries of Zakat**

The Holy Quran (Surah Toubah [9:60](#)) classifies the due recipients of zakat under the following eight categories. "As-Sadaqat (here it means Zakat ) are only for the Fuqara' (poor), and Al-Masakin (the poor) and those employed to collect (the funds), and to attract the hearts of those who have been inclined (towards Islam), and to free the captives, and for those in debt, and for Allah's Cause (i.e. for Mujahidun - those fighting in the way of Allah), and for the wayfarer (a traveller who is cut off from everything); a duty imposed by Allah. And Allah is All-Knower, All-Wise."

Zakat can only be distributed to any of the eight eligible beneficiaries (asnaf) that are mentioned in the Quran in Surah Taubah:60. However, priority should be given to the poor and needy. Where there is no central authority to administer zakat, it can be paid directly to the needy.

- The poor (Faqir/Fuqara)
  - Those without any means of livelihood and material possessions.
- The needy (Miskeen)
  - Those without sufficient means of livelihood to meet their basic necessities. For instance, those who, although may have a job, a house and a car, but whose income is below the minimum requirement.
- The administrators of zakat (Amil)
  - Those appointed to manage and administer zakat.

- The sympathizers (Muallaf-at-Quloobuhum)
  - Those whose hearts are inclined towards or have accepted Islam.
- To free slaves (Riqab)
  - Zakat can also be used to free slaves or captives.
- Those who are in debt (Gharimin)
  - Zakat can be used to pay off the debts of a person who has borrowed to pay for basic necessities so that he/she can lead a normal life. Zakat can also be distributed to those in financial difficulties e.g. bankruptcy due to the loss of employment and heavy debt.
- For the cause of God (Fisabilillah)
  - Zakat can be used to finance any form of struggle or work for the love of God. The following examples fall under this category, e.g. Da'wah; building & developing society's infrastructure; defending Muslims, who are being oppressed; assisting poor travelers and sponsoring a student's educational expenses.
- Those who are stranded during a journey (Ibnus Sabil)
  - Zakat can also be used to help a traveler facing difficulties in continuing his journey due to reasons such as loss of money or the break down of his vehicles, the repair of which he cannot afford.

#### **Function of Zakat**

**(a) A religious function:** In this respect zakat is a manifestation of the faith that affirms that God is the sole owner of everything in the universe, and what men hold is a trust in their hand over which God made them trustees to discharge it as He has laid down:

Al-Quran Surah Al-Hadid (57:7) "[Believe in Allah and His Messenger and spend of that over which He made you trustees](#)" It is also an expression of gratitude towards the Bestower Who said: "[If you give thanks, I will give you more.](#)" (Quran 14:7) In this respect zakat is an act of devotion which, like prayer, brings the believer nearer to his Lord, and being one of the pillars of religion, avoidance of payment is a manifestation of shirk (serving other gods besides God).

**(b) An economic function:** Its economic function is revealed in many ways: firstly, zakat gives a strong incentive for investing wealth for the benefit of society and makes us refrain from hoarding it. When the amount reaches the taxable minimum and has been possessed for a whole year, zakat falls due on it whether it has been invested or not. Those who do not invest their wealth expose it to continuous reduction of at least 2.5% annually. Gradually it will be removed from their possession to be used for the benefit of society.

**(c) a social function:** Zakat makes a fair contribution to social stability. By purging the soul of the rich of selfishness and the soul of the poor of envy and resentment against society, it stops up the channels leading to class hatred and makes it possible for the springs of brotherhood and solidarity to gush forth. Such stability is not merely based on the personal feelings of the rich: it stands on a firmly established right, which, if the rich denied it, would be exacted by force if necessary.

### **Advantages of Zakat**

It is obligatory upon every Muslim, in possession of wealth above a prescribed limit, to pay Zakat. There are many advantages of which some are mentioned below:

1-It meets the needs of the poor of the society

2-It strengthens the good relation between the rich and the poor

3-It cleanse and purify the wealth

4-It promotes open-handedness, generosity and sympathy in a Muslim towards the needy person

5-It draws Allah's blessing; causes increase in wealth and replacement of spent wealth as promised in the Quran "And whatsoever you spend of anything(in Allah's cause), He will replace it. He is the Best of those who grant Sustenance."(34:39)