

UNIT

E

CHAPTER

ONE

ZAKAH:

The Third Pillar of Islam

CHAPTER OBJECTIVES

- 1 What is Zakah?
- 2 What is the significance of Zakah?
- 3 What are the benefits of Zakah?
- 4 What are the rules of Zakah?
- 5 What is the Nisaab and rate of Zakah?
- 6 Who receives Zakah?

VOCABULARY

Zakat-ul-Mal زكاة المال

Zakat-ul-Fitr زكاة الفطر

Nisaab نصاب

Al-Houl الحول

Al-Fuqaraa' الفقراء

Al-Masakeen المساكين

Al-'Aamiloon Alayha العاملون عليها

Ar-Riqaab الرقاب

Al-Ghaarimoon الغارمون

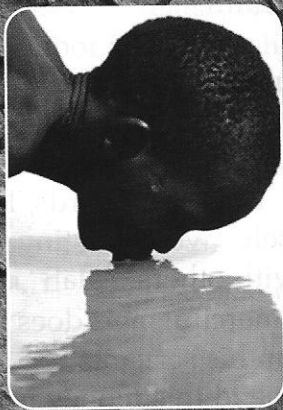
Ibn-us-Sabeel ابن السبيل

Al-Jihadu Fee الجهاد في

Sabeelillah سبيل الله

Al-Mu'allafatu- المؤلفة قلوبهم

Quloobuhum



Zakah is one of the Five Pillars of Islam.

عَنْ ابْنِ عُمَرَ رَضِيَ اللَّهُ عَنْهُ قَالَ: قَالَ رَسُولُ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ:
 "بُنِيَ الْإِسْلَامُ عَلَى خَمْسٍ: شَهَادَةِ أَنْ لَا إِلَهَ إِلَّا اللَّهُ وَأَنَّ مُحَمَّدًا رَسُولُ اللَّهِ، وَأَقَامَ الصَّلَاةَ وَإِيتَاءَ الزَّكَاةِ وَصَوْمَ رَمَضَانَ وَحَجَّ الْبَيْتِ."
 رواه البخاري ومسلم

Ibn Omar narrated that Prophet Muhammad said,

Islam is built on five [pillars]; bearing witness that there is no god but Allah and Muhammad is the Messenger of Allah, performing prayer, giving Zakah, fasting Ramadan and performing pilgrimage to the House of Allah.

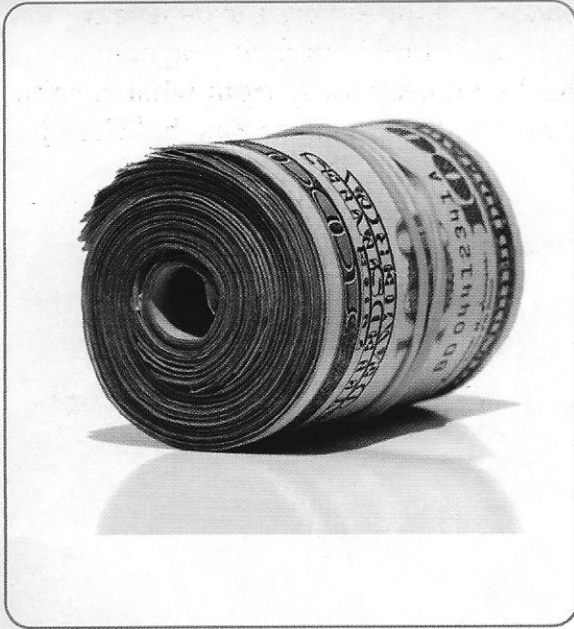
Reported in Al-Bukhari and Muslim

There are two types of Zakah: Zakat-ul-Mal and Zakat-ul-Fitr. The great importance of Zakah is mentioned many times in the Qur'an and it is a greatly rewarded act.

The concept of Wealth in Islam

An important principle of Islam is that everything belongs to Allah وتعالى including all our money and wealth. Allah وتعالى سبحانه gives us money and wealth as a trust to test us on how we will use it.

Let us first define wealth and money. Money is the means to buying. All humans must buy things in order to survive. For example, we have to buy food, clothing, and housing to survive and live well. Money is very important



who created us and gave us the ability to earn wealth.

So, if money ultimately belongs to Allah, what does He سبحانه وتعالى want us to do with it? How does He want us to spend it? In simple words, He wants to use it wisely, avoid wasting it, and to share it with others. Allah سبحانه وتعالى is the most merciful, and does not ask much from his servants. He asks only that we spend this money in a halal way and that we pay our dues to the poor, also known as Zakah or Zakat-ul-Mal.

for everyday living. This is why people must work hard to earn money. Your parents, for example, may work all day or all night to bring money for the family. This is why it can be difficult for people to give up their hard earned money to others. Allah سبحانه وتعالى understands this difficulty that we have, so he tests us this way. Even if we feel that the money belongs to us, we must accept that it all belongs to Allah سبحانه وتعالى. He is after all the one

What is Zakah?

Zakah literally means purity and growth. This means that observing Zakah will purify and bless the wealth and the Zakah giver.

As mentioned previously giving out Zakah is obligatory on all financially capable Muslims.

The Zakah is a form of giving to those who are less fortunate. It is paid annually, at any time of the year and is

Fast Facts

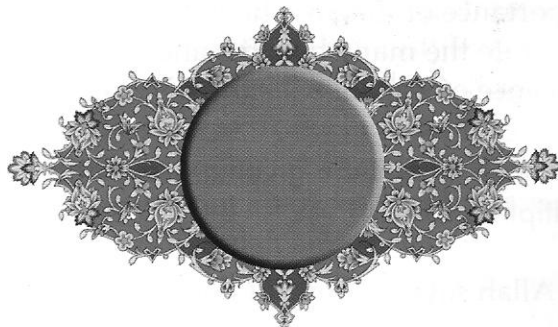


Zakah was made a required worship during the second year of Al-Hijrah.

set at a fixed percentage or proportion of each individual's wealth. It is for the benefit of the poor in the Muslim community. Therefore, Allah encourages Muslims to observe this important duty. Allah says in Surat-ul-Mu'minoon:

قَدْ أَفْلَحَ الْمُؤْمِنُونَ ﴿١﴾ الَّذِينَ هُمْ فِي صَلَاتِهِمْ
خَاشِعُونَ ﴿٢﴾ وَالَّذِينَ هُمْ عَنِ اللَّغْوِ مُعْرِضُونَ ﴿٣﴾
وَالَّذِينَ هُمْ لِلزَّكَاةِ فَاعِلُونَ ﴿٤﴾

Successful indeed are the believers,
Who are humble in their prayers,
And who keep away from what is vain,
And who are givers of Zakah, [23:1-4]



Zakah is mentioned along with
Salah more than 26 times in Al-Qur'an

Zakah is one of the fundamental aspects of worship of Islam. It is mentioned many times in the Quran. Allah سبحانه وتعالى repeatedly asks Muslims to observe this duty in the Qur'an. Allah says in Surat-un-Noor:

وَأَقِيمُوا الصَّلَاةَ وَآتُوا الزَّكَاةَ وَأَطِيعُوا الرَّسُولَ
لَعَلَّكُمْ تَرْحَمُونَ ﴿٥٦﴾

And keep up prayer, pay Zakah and obey the Messenger, so that mercy may be shown to you. [24:56]

Prayer is a physical and spiritual form of worship and Zakah is the material form of worship. Since Allah تعالى سبحانه knows well the difficulty of Zakah, He has promised to bless the remainder of the wealth of a Muslim who observes Zakah. This is why "Zakah" is sometimes referred to as "growth".

The Benefits of Zakah to Individuals and Society

One cannot underestimate the importance of Zakah. The following illustrate the many benefits and the significance of Zakah.

1. Zakah brings the giver a great and multiplied reward.

Allah says in Surat-ul-Baqarah, ayah 261:

مَثَلُ الَّذِينَ يُنْفِقُونَ أَمْوَالَهُمْ فِي سَبِيلِ اللَّهِ
كَمَثَلِ حَبَّةٍ أَنْبَتَتْ سَبْعَ سَنَابِلٍ فِي كُلِّ سُنْبُلَةٍ
مِئَةُ حَبَّةٍ وَاللَّهُ يُضَاعِفُ لِمَنْ يَشَاءُ وَاللَّهُ وَاسِعٌ
عَلِيمٌ ﴿٢٦١﴾

The parable of those who spend their property in the way of Allah is as a grain growing seven ears (with) a hundred grains on every ear; and Allah multiplies for whom He pleases; and Allah is Ample-giving, Knowing [2:261]

Based on this great Ayah, Allah rewards a Muslim 700 hasanat and more for every Dollar, Euro, Pound, Dinar or Dirham he or she spends in Zakah or charity.

2. Zakah blesses and multiplies the wealth.

Allah multiplies the wealth of those who give Zakah with a gracious spirit. Allah says in Surat-ut-Taghabun:

إِنْ تَقْرَضُوا اللَّهَ قَرْضًا حَسَنًا يُّضَاعِفْهُ لَكُمْ
وَيَغْفِرْ لَكُمْ وَاللَّهُ شَكُورٌ حَلِيمٌ ﴿١٧﴾

If you loan to Allah, a loan for good cause, He will double it for you, and He will grant you forgiveness: for Allah is most ready to appreciate, Most Forbearing" [64:17]

3. Zakah purifies the soul.

It rids the giver's heart from selfishness, greed and other evil attitudes. It also purifies the heart of the recipient from envy and jealousy. Allah says in Surat-ut-Tawbah:

خُذْ مِنْ أَمْوَالِهِمْ صَدَقَةً تُطَهِّرُهُمْ وَتُزَكِّيهِمْ بِهَا
وَصَلِّ عَلَيْهِمْ إِنَّ صَلَاتَكَ سَكَنٌ لَهُمْ وَاللَّهُ
سَمِيعٌ عَلِيمٌ ﴿١٠٣﴾

Take alms out of their property, you would cleanse them and purify them thereby, and pray for them; surely your prayer is a relief to them; and Allah is Hearing, Knowing. [9:103]

4. Zakah is a social investment.

Zakah builds a more balanced economy in society. This is achieved by collecting some of the surplus of the rich and distributing it to the poor. This

helps poor families to live better and become a producing segment of society. This way the poor may become able to work, start business and give back to their community.

5. Zakah strengthens brotherhood among Muslims and unites the society.

When the rich help the poor and support them for the sake of Allah, Allah will bring love, brotherhood and harmony to the society. Instead of growing jealousy, envy and hatred, the poor will appreciate and admire the rich for giving them a chance of a better life.

6. Zakah helps minimize crime.

Wherever poverty spreads, crime will follow through. Many people resort to different kinds of crimes when they suffer poverty. Some people turn to crime such as stealing and gambling in an attempt to gain the lifestyle they see others enjoying around them. Some people turn to drugs because they feel hopeless or outcast from society. Poverty is not an excuse for breaking the laws of Allah and society; nevertheless, some people may sin due to their weak faith and lack of discipline. Zakah helps satisfy the needs of the low income families and protects them from falling in the trap of Shaytan.

The Rules of Zakah

In this part of the chapter you will learn the Islamic rules of paying, collecting and distributing Zakah.

Who must pay Zakah?

1. A Muslim.
2. One who has the Nisaab (A set amount of extra money more than what he or she needs).
3. And keeps it for at least a Houل حوُل , or a year.

On what types of wealth we pay Zakah?

Zakah is paid on the following:

1. Money (gold, silver, cash, bonds, stocks etc.)
2. Business inventory
3. Crops

4. Cattle (sheep, goats, cows, camels)
5. Treasures.
6. Minerals and Metals

What is Nisaab نصاب ؟

Nisaab is the minimum extra wealth a person should save over a year in order to pay Zakah. Prophet Muhammad suggested two ways for us to determine the amount of Nisaab on money; the price of gold or the price of silver. Let's go for gold in calculating the Nisaab. According to the Prophet, the Nisaab on gold is what is equal to 87 grams, or roughly three ounces. To figure out how much a Nisaab is in a given time, we do the following:

1. We figure out how much the ounce of gold is worth.
2. We multiply the value by 3.

So, we apply the following formula:
 The price of an ounce of Gold x 3 =
 Nisaab.

Example: Suppose the price of Gold is \$600 an ounce. Therefore, \$600 x 3 = \$1800.

Then the Nisaab will be \$1800. In this case, if some one saves \$1800 or

more and it stays with him for a year, he or she must pay Zakah on this saving. This Nisaab amount applies to cash money, gold, silver, and the values of goods, crops, and other commercial products. Cattle however has a different way to determine the Nisaab. It is easier to figure it out according to the following table:

Table 1: Zakah's Nisaab and Rate

Wealth	Nisaab	Rate	Notes
1 Money (Cash, Bonds, stock market shares, Gold, silver, precious metals, commercial jewelry, etc.)	Value of 3 ounces of pure gold	2.5%	In 2006, the Nisaab according to gold price is around \$1800
2 Business inventory and net income	Value of 3 ounces of pure gold	2.5%	
3 Crops	1437 Lb. or 653 Kg.	10% If irrigated only naturally by rain or a river 5% if irrigated using other means	
4 Sheep and Goats	40	1 (This has further schedule that covers larger quantity)	
5 Cows	30	1 (This has further schedule that covers larger quantity)	
6 Camels	5	1 sheep (This has further schedule that covers larger quantity)	
7 Treasures	No Nisaab	20%	
8 Minerals (Oil, Metals)	No Nisaab	20% (Some scholars say just 2.5%)	



The Nisaab of cattle is 40 sheep and goats, 30 cows or five camels.

On every 40 sheep we give out 1, if they are up to 80 we give out two, then up to 200 we give out 3, then one more for every hundred sheep.

What is the rate of Zakah?

Generally, the rate of Zakah is one fortieth of the extra wealth one has saved; that is only 2.5%. Therefore, if a Muslim has surplus money more than the Nisaab after fulfilling basic needs such as food, clothing, housing, etc. he or she is required to pay 2.5% as Zakah. But if there are insufficient funds to cover the essential expenses in life there is no requirement to pay Zakah. Additionally, the "extra wealth" must be possessed by the person for at least a year.

Calculating Zakah

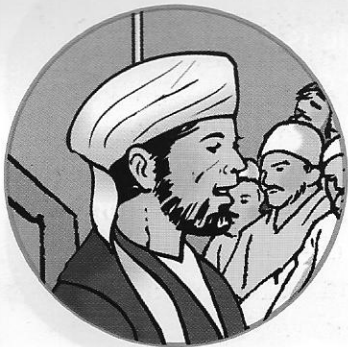
For example, Adam has \$3,000 saved up for a year. Is he required to pay Zakah? And if so, how much does he have to pay?

Since Adam has more than \$1,800, he is required to pay Zakah. So how much should Adam pay? This is determined by the rate of 2.5%. Adam would

have to multiply $3,000 \times 2.5$ to find out how much he should pay for Zakah. To do this on a calculator, simply multiply $3,000 \times 0.025\% = \$75$. So Adam must pay \$ 75 in Zakah.

Let's take another scenario. Mohammad has exactly \$1,000 saved up. However, he had \$1,000 only for a couple of weeks. Because one of the rules of Zakah he has to have saved this \$1,000 up for at least a whole year. Mohammad is not required to pay Zakah.





MONEYS THAT WE DON'T PAY ZAKAH ON
Not everything we own, we pay Zakah on. Here are the valuables that are not subject to Zakah:

1. Your house you live in.
2. Equipment in your shop or factory.
3. Your jewelry you wear.
4. Your car

Who Should Receive Zakah?

Allah سبحانه وتعالى clearly identified who the recipients of Zakah in Surat-ut-Tawbah, ayah 60. Allah said:

إِنَّمَا الصَّدَقَاتُ لِلْفُقَرَاءِ وَالْمَسْكِينِ وَالْعَامِلِينَ عَلَيْهَا وَالْمُؤَلَّفَةِ قُلُوبُهُمْ وَفِي الرِّقَابِ وَالْغَارِمِينَ وَفِي سَبِيلِ اللَّهِ وَابْنِ السَّبِيلِ فَرِيضَةً مِّنَ اللَّهِ وَاللَّهُ عَلِيمٌ حَكِيمٌ ﴿٦٠﴾

The poor due is only [collected] for the poor and the needy, the officials (appointed) over them, and potential Muslims . Also for freeing the slaves or captives, for helping those in debt, for the cause of Allah and the broke traveler; that is a command from Allah; and Allah is All-knowing, All-Wise. [9:60]

According to the above verse, the following are to receive Zakah:

1. Al Furqaraa" الْفُقَرَاءِ (The Needy People)

A person is considered "faqeer" فقير if he or she has no income and depends on others for daily necessities such as food and shelter. This includes poor

orphans, widows, old people, unemployed, those who have recently faced financial crises etc.

2. "Al Masakeen" الْمَسْكِينِ (The poor)

These people have some income that is not enough for them. They are still very poor and feel embarrassed to seek help from others. The Zakah officials will seek them out in order to provide them with Zakah. Imam Ibn Katheer in his famous book of Tafseer, reported that Ikramah, a great scholar of Al-Qur'an, defined the Miskeen as the non-Muslim poor from among the people of the book.

3. "Al 'Aamiloon Alayha" الْعَامِلُونَ عَلَيْهَا (The Zakah officials)

A Muslim state, community, or even a mosque, appoints official "Zakah collectors" whose responsibility it is collect and distributes Zakah. These officials must be given salaries to perform this important work. Their salaries are given them out of the Zakah fund.

4. Al-Mu'allafatu Quloobuhum قلوبهم المولفة (Friendly non-Muslims or new Muslims)

Zakah can be given to the one who converts to Islam, or even to non-Muslims who are near entering Islam. One day, Prophet Muhammad granted Safwan Ibn Umayyah, a pagan leader, some money. Safwan later became a good Muslim. He said, "I used to hate Muhammad, but when I saw his manners and generosity, I became one of his admirers.

5. "Ar-Riqaab الرقاب (Slaves and Captives)

Ar-Riqab literally means "necks" which a plural of Raqabah رقبية, or neck. Here it means a slave. Zakah may also be used to buy the freedom of Muslims who are slaves in a society allowing slavery. Zakah can also be spent on freeing prisoners of war or captives held against their will for unjust reasons. Once, a man asked Rasoolullah about a good deed that would get him to Jannah and would save his neck from Hellfire. The Prophet said, "buy a person out of slavery or help setting his or her neck free."

6. Al-Ghaarimoon الغارمون (Debtors)

There are some Muslims who are so heavily in debt that there is no way they can pay it back. In these cases, Zakah may be used to help pay their creditors and relieve them of their debts.

7- Fee Sabeelillah الجهاد سبيل الله (Jihad, struggle for the cause of Allah)

Zakah can be given for the Jihad

against hostile enemies and to defend Islam and Muslim against all forms of evil. The word fee Sabeelillah means "for the cause of Allah." Muslim scholars consider that every good Muslim cause falls under this category even if it does not involve fighting. For example, educational and charity projects that support Islam and Muslims and maintain their faith and wellbeing are considered types of noble Jihad. This includes non-profit schools and colleges, charity organizations, charity clinics and hospitals, orphanages etc. These noble projects help people in their struggles against ignorance, poverty, disease, crime and other evils and harms.

8. Ibn-us-Sabeel ابن السبيل (Broke and Stranded Travelers)

Zakah may be given to help the traveler who has become stranded due to lack of money. He or she would not be able to continue to his or her destination without financial help.

Zakat ul-Fitr

The other form of Zakah is Zakat ul-Fitr. It is quite different from regular Zakah. Although Zakat ul-Fitr is an obligatory charity like Zakah, it has to be given in the form of food at the end of the month of Ramadan. The amount of Zakat ul-fitr is a fixed sum, the same for everyone regardless of their income. While nisaab and rate is used to calculate Zakat ul-Mal, Zakat ul-Fitr uses the Sa'a measurement to calculate the correct amount. The minimum amount is

one Saa` which is about two handfuls of food, grain or dried fruit for each member of the family. According to the hadith:

Ibn `Omar said: "The Prophet ﷺ enjoined the payment of one Sa'a of dates or one Sa'a of barley as Zakat ul-Fitr on every Muslim, young and old, male and female, free and slave."
(Related by al-Bukhari and Muslim)

The purpose of Zakat ul-Fitr is to purify the one who has fasted from any type of indecent act or speech he might have committed while fasting. For example, Adam called his brother names while fasting. It also helps the poor and the needy. The categories 1-8 above also apply to Zakat al-Fitr.

CHAPTER REVIEW

Projects and Activities

1. Figure out the value of Nisaab in the current time based on the current value of gold.
2. Use the following Zakah calculation form to calculate the Zakah in the scenarios below. Use the Nisaab value you just figured out when solving the above activity.



Zakah Calculation Form

Step No.	Explanation	Amount U.S. \$
1	Net cash on hand and in bank (after all bills and debts paid)	
2	Gold and Silver in current value (Coins, Bars, Commercial Jewelry...)*	
3	Good loans (Money loaned to others and expected to be repaid)	
4	Shares of Stocks	
5	Business Inventory (Value of inventory items at the Zakat due date)	
6	Real Estate (Designated for sale) And net income from rented properties	
7	Net profits from business	
8	Total amount (Add lines 1 through 7)	
9	If the amount in step 8 is less than the Nisaab **	ZAKAT UL-MAL is NOT REQUIRED
10	Zakat due (If the amount in step 8 is greater than the Nisaab **)	
	Total amount on step 8 x (Times) 0.025=	

Scenario A: Zaid has \$3000 cash, an ounce of gold (\$600 value), and Microsoft stocks valued at \$2000. Zaid also has in his shop an inventory valued at about \$10,400, and his business made \$4000 in profit during the last Zakah year. Should Zaid pay Zakah? And if your answer is yes, how much?

Scenario B: Lena has \$1000 in net cash at the bank, a necklace and bracelet that she usually wear valued at \$1000, a good loan of \$500 that she lent to her cousin, and an extra apartment she is putting for sale which is worth at least \$27,000. Should Lena pay Zakah? And if your answer is yes, how much?

3. Create a Zakah scenario for your classmate or friend to solve using the above form.
4. Reality Check: Figure out how much Zakah you should pay this year, if any.

Stretch Your Mind



1. Why do you think Zakah was given this particular name? Allah could have named it Tax!
2. Why do you think Allah didn't require Zakah on houses we live in, cars we use, jewelry we wear, equipment we run in our factories and businesses?
3. Why did Allah require that we should keep the money subject to Zakah for at least a year before we pay Zakah on it?

Study Questions

- 1 Define: Zakat-ul-Mal , Zakat-ul-Fitr, Nisaab, Al-Masakeen , Al-'Aamiloon Alayha.
- 2 What is the meaning of Zakah in Arabic language?
- 3 Describe the concept of wealth in Islam.
- 4 When was Zakah prescribed to Muslims?
- 5 Who must pay Zakah?
- 6 Who should receive Zakah?
- 7 What is the difference between Faqeer and Miskeen?
- 8 On what types of wealth do Muslims pay Zakah?