

Zakāt Programme Notes (Hanafi)

Nabī sallallāhu ‘alayhi wa sallam said, “Fortify your wealth by discharging Zakāt on it.”
(At-Tabarāni)



WIFĀQUL 'ULAMA
ASSOCIATION OF SOUTH AFRICAN 'ULAMA

NB: Kindly handle with respect and do not place on the floor

Section 1

Introduction

- Allāh Ta'ālā has, in numerous places in the Qur'ān Karīm, emphasised the obligation of Zakāt.

“And establish Salāh and pay Zakāt and bow with those who bow [in worship and obedience]” (Ar-Rūm 39)

Zakāt is a command of Allāh Ta'ālā. Like Salāh, Zakāt is also a command of Allāh Ta'ālā. A person won't say that he will perform 2 Rakāts Fajar in the afternoon. He won't say that he will perform 10 Rakāts instead of 4, etc. Like Salāh has its specific times, rules, and regulations. Similarly, Zakāt also has its own laws and rulings.

- Nabī sallallāhu 'alayhi wa sallam said: “Fortify your wealth by discharging Zakāt on it.”
- By discharging Zakāt, we attain the added benefit of protection of our wealth. It was the practice of our pious predecessors that if something went wrong with their wealth, they would check if their Zakāt was being fulfilled correctly. Either that, or it is a test from Allāh Ta'ālā.
- There are 5 pillars of Islam. Imān, Salāh, Saum (fasting), Zakāt and Hajj (pilgrimage). If a person is performing Salāh, for example, but not discharging Zakāt, his Dīn is defective.

Zakāt is an 'Ibādah and not a tax

- Salāh and fasting are the Ibādāt of one's body. Zakāt is the Ibādah of one's wealth and Hajj is an Ibādah that includes both.
- Like preparation for Salāh is rewarded, preparation for Zakāt is also rewarded. E.g. The time spent calculating your assets, taking stock of your goods, calculating the Zakāt and distributing it will all be rewarded by Allāh Ta'ālā.
- In other Ibādāt, you get a chance to fulfil a Fardh action more often. In Salāh, we have 5 Farāidh a day (365 days). In Fasting, we have 30 days, but in Zakāt, you only get a chance once a year.

- Diarise your date. Prepare beforehand. Look forward to doing it and discharge your Zakāt happily.
- How easy has Allāh Ta’ālā made this command of Zakāt, and it is only once a year!
 - Only 2.5% /one fortieth (1/40) of your wealth. Understand this in perspective!

Wisdom of Zakāt

- Zakāt is a divinely ordained system of distributing wealth that will alleviate the poverty we face in Muslim society.
 We learn from the Hadith of Nabī sallallāhu ‘alayhi wa sallam that Allāh Ta’ālā has made compulsory upon the wealthy Muslims an amount that will suffice for the poor and that the poor do not experience any difficulty through hunger and nakedness except because of what the wealthy waste.
 Nabī sallallāhu ‘alayhi wa sallam says:
“Listen well, Allāh Ta’ālā will severely take them to task and punish them with a very painful punishment.”
- We understand from this that Allāh Ta’ālā didn’t leave the poor on their own. Their rights are kept in the wealth of the rich.
- If the rich do not pay their Zakāt, then together with the sin of neglecting a Fardh, they will face an additional punishment for depriving the poor of their rights.

Section 2

Zakāt vs Sadaqah

Zakāt	Nafl Charity
1. Obligatory	Optional
2. 2.5%	Any amount
3. Specific time of the year	Any time
4. Specific recipients	Can be given to anyone
5. Specific intention	No specific intention
6. Only once a year	Whenever you wish to give

Section 3

Who must pay Zakāt?

- 1- Muslim
- 2- Bāligh
- 3- Sane
- 4- Possesses **Nisāb** for a full lunar year

Definition of Nisāb

The amount of wealth that makes one liable for Zakāt. 87.48g gold or 612.36g silver as calculated from the Hadith. The Rand value is determined by the lesser of these two amounts. Therefore, the Nisāb amount fluctuates based on the value of gold and silver. For ease, refer to the Wifaqul Ulama website, which is updated daily.

Visit www.wifaq.org.za or scan the QR code below



Definition of possession for a full lunar year

- Firstly, only the Islāmic year (lunar calendar) is considered, not the English year.
- You will ascertain your net value at the beginning of your Zakāt year and the end of your Zakāt year. Fluctuations during the year are not considered (unless the wealth diminishes to zero, in which case the Zakāt year restarts).

Understand it by means of some examples:

Example 1 (Wealth stays above the Nisāb for the whole year)

1 Muharram 1444	A person receives R40 000 for the first time (ABOVE NISĀB)
10 Rajab 1444	His wealth increased to R80 000 (ABOVE NISĀB)
1 Muharram 1445 (one year on from the first time he received the Nisāb amount)	He is in possession of R60 000 (ABOVE NISĀB)
He will have to pay R1500 in Zakāt on the R60 000 in his possession. (R60 000 x 2.5% = R1500)	

Example 2 (Wealth drops below Nisāb over the course of the year)

1 Muharram 1444	A person receives R40 000 for the first time (ABOVE NISĀB)
10 Rajab 1444	His wealth decreases to R5 000 (BELOW THE NISĀB)
1 Muharram 1445 (one year on from the first time he received the Nisāb amount)	He is in possession of R60 000 (ABOVE NISĀB)
He will have to pay R1500 in Zakāt on the R60 000 in his possession. (R60 000 x 2.5% = R1500)	

Example 3 (Wealth drops to zero over the course of the year)

1 Muharram 1444	A person receives R40 000 for the first time (ABOVE NISĀB)
10 Rajab 1444	His wealth decreases to zero. (His Zakāt date will cancel)
10 Ramadhān 1444	He receives R50 000 (his total wealth is now R50 000) (This will now be his new Zakāt date)
1 Muharram 1445	He will not calculate his Zakāt on this date as his Zakāt date changed over the course of the year
10 Ramadhān 1445	He now has R100 000 in his possession. He will pay Zakāt on this R100 000 (R100 000 x 2.5% = R2500)

Section 4 Your Zakāt Date?

- A person should note the Islāmic date on which he became the owner of Nisāb for the first time. This will become his personal Zakāt calculation date.
- If children possess the Nisāb amount, ensure that they record the date on which they became Bāligh. This will become their personal Zakāt calculation dates.
- If a new Muslim possessed Nisāb at the time he accepted Islam, the date he took shahadah will be his personal Zakāt calculation date.
- From this, we understand that every person's Zakāt date is **unique** to him.
- Ramadhān is not the default date for calculating Zakāt, which is a common misconception.

- If a person cannot remember when he initially became the owner of Nisāb, he should apply his mind as one does for Qadhā Salāh. For example, check bank statements from that time, see when you started your first job, or when you received inheritance. For a female, it may be when she received Mahr or jewellery.
- If he can come to a specific date, that will be considered his Zakāt date.
- If he cannot come to a specific date, he should stipulate his own date. For example, 10th Ramadhān. This will now be his Zakāt date going forward.
- As a precaution, for the first year that Zakāt is being paid, he should give a little extra to offset any potential shortfall.

Section 5

Zakātable assets vs Non Zakātable assets

Zakāt will be paid on:

• Cash (including bank account balance)
• Stock in trade (including raw materials)
• Anything bought with the intention of resale. e.g., house, land, stamp, arms, platinum, precious stones etc.
• Foreign currencies
• Gold and silver. All gold and silver, whether purchased for resale or not. Gold and silver are intrinsically Zakātable in whatever form they may be. (Zakāt on the Kruger coin will be paid at the retail value.)
• Zakāt will be paid on gold or silver jewellery, whether it is in use or not.
• Savings, whether for Hajj or any other purpose.
• The Zakātable value of Halāl Investments
• All monies owed to you

Note:

- Rental deposits are an Amānah (trust) in the hands of the landlord. It thus remains the property of the tenant. Therefore, the tenant will add this amount to his Zakāt calculation.
- If someone owes you money and there is no expectation of getting it back, you can delay discharging Zakāt until it is received. If it is eventually received, you will pay Zakāt for all the years you missed.

Zakāt will NOT be paid on:

<ul style="list-style-type: none">• Items for personal use. Example: cars, mobile phones, laptops, clothes, electronic appliances - (even if more than one)
<ul style="list-style-type: none">• Machinery and other tools of trade
<ul style="list-style-type: none">• Property not acquired for resale e.g. Houses, shops, offices etc.
<ul style="list-style-type: none">• Gold teeth which cannot be removed (example, a gold cap etc). If it can be removed, then you will weigh it and pay Zakāt.
<ul style="list-style-type: none">• Hobbies (e.g. stamps, cars, cards, and antiques)<ul style="list-style-type: none">- As long as they were not purchased with the intention of resale when the value escalates- As long as it is not gold and silver, as these are intrinsically Zakātable.
<ul style="list-style-type: none">• Arms and ammunition that were not acquired for resale
<ul style="list-style-type: none">• Precious stones and platinum

NOTE - Zakāt will not be paid on any wealth received in a Harām manner, for example, via interest. Instead, the entire amount must be distributed to the poor without the intention of reward.

Summary

Zakāt is obligatory on 5 types of items:

1. Gold and Silver
2. Cash
3. Stock and Merchandise (items for resale)
4. Agricultural produce (in our case, a person will only pay Zakāt on whatever produce he intends to sell as South African land is not classified as “Ushri Land” upon which 10% is paid)
5. Animals and livestock- If a person buys and sells animals, he will add the market value of the animals to his Zakāt calculation. If he is breeding animals, then there is a specific scale according to which he will pay, for example, if he has 25 camels, he will give a one-year-old she-camel in Zakāt, etc. Refer to your Mufti for assistance regarding this.

Section 6

Calculating your Zakāt

- For Zakāt purposes, a business is not considered independently of its owner/s, i.e., it is not a person. Therefore, a person will add the value of his stock to the rest of his Zakātable assets and pay on the total amount.
- Zakāt is obligatory on the current market value of merchandise. This refers to the general selling price in that region. Sometimes, convenience stores sell an item for much more than it is sold in the general consumer market. The general selling price will be considered, not the selling price of a convenience store. A person will use the market rate/value of his stock. If a person is a retailer, they will use the retail market value. A wholesaler will use the wholesale market value.
- The market value on the Zakāt date will be considered, not the date of purchase nor the date of payment.
- For businesses that manufacture goods, Zakāt will not only be compulsory on the finished product but also on all items that are in

the process of manufacture. Zakāt will also be paid on raw materials, packaging, labels etc.

- If a person owns shares in a business, he will have to calculate the value of his share, and add it to his assets when calculating Zakāt.

Calculating the amount to be paid in Zakāt

- When calculating zakaat, calculate 2.5% of the total Zakaatable assets minus any liabilities
- (eg. Zakaatable assets = (R100 000) – Liabilities (R20 000) = R80 000
 $R80\ 000 \times 2.5\% = R2000$. Total payable for Zakaat = R2000)
- If a person has a long-term debt or loan, they may deduct only the value of one year's instalments from their Zakatable assets as a liability (monthly instalment x 12).
- For short-term debts or loans, he will deduct only the instalment due at the time of calculating zakat.
- He is also allowed to deduct his general expenses for the month in which he is calculating his Zakaat. (Rent, utilities, groceries etc.)
- Zakāt is due on whatever wealth is in one's possession on the Zakāt date. No particular asset needs to remain in one's possession for a full year. Example: On the 10th Muharram, a person has R40 000. On the next year, on the 9th Muharram, he receives R100 000 in inheritance. On his Zakāt date, the 10th Muharram, he will pay Zakāt on the full R140 000 now in his possession, even though the R100 000 wasn't in his possession for a full year.

Paying the Zakāt

- It is permissible to pay one's Zakāt before his date, or even after his date. If he pays before his date, he must still calculate the amount on his Zakāt date. If any amount is outstanding, he should give that remaining amount in Zakāt. If he had paid extra, the extra could be carried forward for the Zakāt of the next year, if the intention was made whilst paying. If no intention was made, the amount will be regarded as Nafil (optional) charity.
- If a person makes an intention and pays for many years in advance, this will be permissible on condition that he is already the owner of

Nisāb. However, Zakāt should be calculated each year on his specific date to ensure there is no outstanding amount.

- If a person is not yet the owner of Nisāb, he cannot pay Zakāt in advance on wealth he expects to receive in future.
- When distributing Zakāt in kind, it is in the spirit of Dīn to choose the best of our assets to distribute. At the very least, a person should give items that the recipient can use.
- Giving expired products in Zakāt is also against the spirit of Dīn. If a person does give expired goods in Zakāt, the current reduced value will be considered.

Section 7

Recipients of Zakāt

- If Zakāt is not given to the rightful person, it will not be considered discharged.
- Zakāt can only be given to a Muslim. Non-Muslims cannot be given Zakāt.
- The 8 categories of recipients as mentioned in the Qur'ān are:
 - *Al-Fuqarā* (Those that have wealth but amounting to less than Nisāb.)
 - *Al-Masākīn* (Those that don't have anything at all.)
 - *Al-'Aamilīn 'alaiha* (Those appointed by the Islamic state to collect Zakāt for the Baytul-Māl. **This is only in an Islāmic state.** In our context, organisations do not fall under this category and cannot pay their Zakāt collectors with Zakāt funds.)
 - *Al-Muallafatul-qulūb* (Those who have recently accepted Islam and are in need of basic necessities (i.e. they are poor). Special consideration will be given to them as the Zakāt given to them will have the added benefit of strengthening their Imaan.)
 - *Ar-Riqāb* (Money given to a slave to buy his freedom. **This is also currently not applicable** as we do not have any slaves.)
 - *Al-Ghārimīn* (a person overwhelmed by debt)

- *Fī Sabīlillāh* (A person who needs to complete a FARDH act, such as Hajj or Jihād and, due to a loss of wealth, is unable to complete that Fardh)

Note: Other avenues that are considered *Fī Sabīlillah* eg. Studying in a Darul Ulūm, going out in Jamāt, doing relief work, shrouding of a deceased and burial expenses, building a Masjid etc, do not fall under this category for Zakāt purposes.
- *Ibnus-Sabīl* (A Musāfir who does not have sufficient funds to fulfil his basic necessities and return home. He can be given Zakāt to enable them to return home, even though he has wealth at home, provided he is unable to access his wealth.)
- A person cannot give his Zakāt to his ascendants (father, grandfather, etc.), descendants (sons, grandsons, etc.) and one’s spouse, even if they are poor. Zakāt can be given to brothers, sisters, uncles, aunties, cousins, etc., if they qualify.

Vetting the Zakāt recipient

- To determine whether a person is a legitimate recipient of Zakāt, his wealth and possessions in excess of his “basic necessities” will be looked at. If these are less than Nisāb, he can be given Zakāt. If not, he cannot be given Zakāt.
- “Basic necessities” refer to a person’s essential needs without which living becomes difficult. i.e. clothing, furniture, utensils, cars, etc.
- There are many more details to this. Refer to an ‘Ālim for more information.

Order of preference for distributing Zakāt

1. Needy relatives - in order of closeness.
2. Needy neighbours.
3. Recipients in the neighbourhood.
4. Recipients of a similar profession.
5. Recipients of the same town/city.

- If there are needy people in one's city, it will be Makrūh to give someone out of the city unless it is a needy family member or a person who is more in need than those in the city.
- It is not necessary and is better not to inform the recipient that you are giving him Zakāt as this may lead to a feeling of humiliation.

Section 8

Tamlīk- A requirement for the validity of Zakāt

- Tamlīk is the transfer of complete, unrestricted ownership of the Zakāt item, from the giver to the recipient. This transfer should be unconditional. The giver cannot dictate to the receiver how to use the wealth.
- The recipient must have full possession and complete control over the Zakāt to do with it as he pleases.

Section 9

The Wakīl (Representative)

Wakīl of the recipient:

- The poor person may appoint a Wakīl to receive Zakāt on his behalf.
- Once the Wakīl receives the Zakāt, it is as if the poor person is receiving it, hence it is discharged immediately.
- If the Zakāt gets destroyed while in the possession of the Wakīl, the donor will not have to repeat his Zakāt.

Wakīl of the donor:

- The donor may appoint a Wakīl to distribute the Zakāt on his behalf.
- When the Wakīl receives the Zakāt, it is as if it is still in the possession of the donor.
- If the Zakāt is destroyed in the possession of the Wakīl, the donor will have to re-discharge the portion of Zakāt that was destroyed in the possession of the Wakīl.

Section 10

Miscellaneous

1. If Zakāt was given to a Muslim person after due investigation and it was later found that the person was not an eligible recipient, the Zakāt will be considered discharged. If a proper investigation was not done, the Zakāt will have to be re-discharged.

2. Q- Can a community collect donors' Zakāt funds to assist a poor person needing a medical procedure?

A- In order to prevent the recipient from becoming the owner of Nisāb and not being able to take more money, the donors should appoint a Wakīl who will gather all the money and give it to the recipient at one time. If the patient is unconscious, extra care should be taken as he is not in a position to take possession of the money. Consult with Ulama.

3. It is Makrūh to give a person that much Zakāt which makes him the owner of Nisāb.

Note: Caution should be exercised when giving Zakāt to a person in Ramadhān as often people collect Zakāt from multiple people and already possess Nisāb, hence cannot receive any more Zakāt.

Common errors

- *Food distribution.* (Can only be given to Muslim deserving recipients; need to give each person possession of the food; it is better not to give food due to the technicalities.)
- *Hampers.* (If items get damaged and cannot be used (Eg, sugar and salt packets break and get mixed), that portion of Zakāt is not discharged.)
- *Photography.* (Firstly, it is Harām, Secondly, it is derogatory to subject the poor to having their photo taken and advertising them as recipients of Zakāt. It is not dignified to advertise the plight of poor people. Do we need to witness suffering in order to prompt us to give for the sake of Allāh? Thirdly, Protect your Ikhlās.)
- *Bank charges.* (When depositing Zakāt into a recipient's account, the donor should ensure that any bank charges are covered by Lillāh money. When doing an EFT, generally, this won't be necessary, as usually there is no charge.

Section 11

Rectifying Zakāt of the past

- If a person had missed the Zakāt for a number of years, he should:
 1. Make Taubah.
 2. Calculate assets for every year missed - according to the value of each year, respectively.
 3. Calculate the Zakāt of each year, and discharge it as soon as possible.
 4. If he is unable to discharge it immediately, he should leave a Wasiyyah (Bequest) in his Will for it to be discharged.
- To be safe, overcalculate rather than undercalculate.
- Bank statements, etc., can be used to assist in working out for previous years.

Example of calculation of missed years' Zakāt

Date and Year	Total assets at the time	Amount that Zakāt must be paid on	Zakāt to pay
10 Muharram 1443	R40 000	R40 000	2.5% of R40 000 = R1000
10 Muharram 1444	R100 000	R100 000 – R1000 = R99 000 (as the R1000 Zakāt was due in 1443) So, he will pay Zakāt on R99 000	2.5% of R99 000 = R2475
10 Muharram 1445	R200 000	R200 000 – R1000 – R2475 = R196 525 (as the R1000 Zakāt was due in 1443 and the R2475 Zakāt was due in 1444) So, he will now pay Zakāt on R196 525	2.5% of R196 525 = R4913,13
Total Zakāt to pay for the 3 missed years:			R1000 + R2475 +R4913,13 = R8388,13

Suggested Duaas:

Suggested Dua to recite when **giving** Zakāt

اللَّهُمَّ اجْعَلْهَا مَغْنَمًا وَلَا تَجْعَلْهَا مَغْرَمًا

O Allāh! Make it a means of gain and do not make it a means of loss.

(Sunan Ibn Mājah 1797)

Suggested Dua to recite when **receiving** Zakāt

أَجْرَكَ اللَّهُ فِيْمَا أُعْطَيْتَ وَجَعَلَهُ لَكَ طَهْرًا وَبَارَكَ لَكَ

فِيْمَا أَبْقَيْتَ

May Allāh Ta'ālā reward you for what you have given and make it a means of purification for you, and may He bless you in what remains with you.

(Dua of Imām Shāfi'ī RA, Al Majmū' v6 p143)