

Ilm Essentials

Zakāh Lesson 2

How to Calculate Zakāh

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- Total all of your zakātable assets
- Debts payable
 - ▣ Subtract any debts you owe
- Debts receivable
 - ▣ Add any strong debts owed to you
- If that number is greater than the nisāb
 - ▣ You must pay zakāh
- If that number is less than the nisāb
 - ▣ You will not pay zakāh
- If that number is less than the nisāb
 - ▣ You might be able to receive zakāh

Loans and Zakāh

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- Most debts payable (money you owe) can be subtracted from your total assets
 - ▣ Not all debts receivable will be included
- Receivables will be classified as either
 - ▣ Strong loans
 - ▣ Moderate loans
 - ▣ Weak loans

Debts Receivable: Strong

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- Money due on goods sold (i.e. accounts receivable)
 - ▣ Provided the buyer took possession of the goods
- Monetary loan you extend to someone

Debts Receivable: Strong

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- Zakāh must be paid on all strong loans for each year the loan was extended
 - ▣ You loan someone \$10,000 due in 10 years
 - 10 years later you are paid in full
 - You have to pay zakāh on that \$10,000 for each year that passed
 - $\$250 \times 10 \text{ years} = \$2,500$
- Easiest way to handle this is to pay each year
 - ▣ Even though you have not yet received payment

Debts Receivable: Moderate

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- ❑ Money due on the sale of something which is not considered a trade good
 - ❑ Garage sale or random sale on eBay
 - Selling your old car or selling a house
- ❑ Opinion 1
 - ❑ This is like a strong loan, except that you will only pay on it once the loan has been repaid
- ❑ Opinion 2
 - ❑ When payment is received, it is like new money
 - Nothing is due from the past

Debts Receivable: Weak

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- Money due for something that was not wealth or merchandise
 - ▣ Dowry owed to you
 - ▣ Bequest (wasiyyah)
 - ▣ Unpaid wages
- When payment is received, it is like new money and nothing is due from the past
 - ▣ Same as moderate loans (opinion 2)

Debts Payable

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- Subtract any debts you owe to others
 - ▣ Price of goods purchased
 - ▣ Dowry which is due
 - ▣ Personal loans
 - ▣ Rent which is due
 - ▣ Utility bills for units consumed
 - ▣ Current balance on credit card
 - ▣ Taxes due
 - ▣ Commercial loans, provided they were used to acquire zakātable assets
 - ▣ Wages due to employees
 - ▣ Current month's payment of mortgage, student loan or other long-term (more than a year) debt, less the interest
 - Some said coming 12 months of payments
 - ▣ What about Islāmic finance
- If needed, can subtract the coming month's expenses

Who Can Receive Zakāh

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- 8 classes of zakāh recipients
 - ▣ Mentioned in Sūrah at-Tawbah, Verse 60
- The poor (fuqarā')
- ▣ Has some wealth, but less than the nisāb amount
 - He is considered poor even though he is of sound health and capable of earning a living
- The destitute (masākīn)
 - ▣ The one who has no wealth whatsoever

Who Can Receive Zakāh

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- Zakāh collectors (āmilīn alayhā)
 - ▣ Those employed in connection with the collection and distribution of zakāh
 - Can only occur under an Islāmic government
 - ▣ They may be paid as much out of the zakāh as is appropriate to their labor
 - Irrespective of whether or not they are poor
 - Only category that can receive zakāh as wages

Who Can Receive Zakāh

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- Binding the hearts (muallifah al-qulūb)
 - ▣ Those Muslims, in the beginning of Islām, who were given zakāh to bring them closer to Islām
 - This group no longer qualifies for zakāh
 - Since the time of Abū Bakr or Umar
- Contracted slave (riqāb)
 - ▣ A slave who has made a contract with his master that he will free him for a set price
 - Why can't other poor slaves accept zakāh

Who Can Receive Zakāh

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- Covered in debt (ghārimīn)
 - ▣ One whose debts are greater than his wealth
- One striving in the path of Allah (fī sabīl ‘Llāh)
 - ▣ Refers to Hajj pilgrims or soldiers
 - Who have been cut from their group
 - And don't have the resources to get back

Who Can Receive Zakāh

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- The traveler (ibn as-sabīl)
 - ▣ The traveler who has wealth at home
 - But not with him on the journey
 - May be given as much zakāh as needed to support them in their travel
- Zakāh may be given to any one of the seven
 - ▣ Or a combination thereof

Who Can Receive Zakāh

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- Total all of your zakātable assets
- Debts payable
 - ▣ Subtract any debts you owe
- Debts receivable
 - ▣ Add any strong debts owed to you
- If that number is less than the nisāb, you do not have to pay any zakāh
- Now add in the resale value of all your non-essential personal items
 - ▣ If that number is still less than the nisāb
 - You are eligible to receive zakāh

Questions and Discussion

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