



In The Name Of Allah, Most Gracious, Most Merciful

المعهد الإسلامي في تورنتو

Islamic Institute of Toronto

Education for Virtuous Living

The Obligation of Zakaat

Shaikh Ahmad Kutty

Ramadhan is the ideal time to calculate and give out zakah. By doing so we stand to gain immense rewards as every deed done in Ramadhan merits manifold blessings.

The importance of zakah in Islam can never be exaggerated. After the testimony of Oneness, it is the foremost pillar of Islam—second only to salah (Prayer). Thanks to its importance, zakah has been conjoined with salah in twenty six verses in the Qur'an. It is reckoned as Allah's share in one's wealth, which must be taken out in order for it to be pure and lawful for our use.

The word zakah in Arabic means growth, purification, and blessing. By using this word for the compulsory charity, we are reminded that zakah purifies our wealth, blesses it, and helps it to grow.

The main purpose of zakah is to help the poor and needy. When zakah is applied effectively, it goes a long way in eradicating poverty from the society--as it was demonstrated in the history of Islam. Although the primary recipients of zakah are the poor and needy, part of zakah can also be given to causes that are beneficial for the cause of Islam. In our time and age, this includes supporting institutions that provide essential services for the community in places where funds for such projects are not readily available. This is the ruling of a number of eminent scholars in the contemporary world, including Shaikh Qaradawi, Abd al-Karim Zaydan and others.

Based on such rulings, it is valid to give out part of your zakah (but never more than one-third) to institutions such as the Islamic Institute of Toronto.

I give below a few important points to facilitate our understanding and practice of zakah*:

1. Zakah applies to our net income over a year--if it reaches the nisab**, which is roughly four hundred dollars-- after taking out the basic expenses for oneself and his dependents, including rent (or mortgage/car payments for the year), food, clothes, medical, transportation, etc. All of these expenses can be either deemed as modest or extravagant.

2. Zakah applies to the net income after deducting the debts that are payable; in the case of mortgages and car payments, business payments, etc. one is allowed only to deduct the outstanding payments for the zakat year.

3. Zakah does not apply to one's dwelling place, unless it is an extravagant one, nor does it apply to the basic car one uses. In regards to rental house or property, it applies to the net income after deducting taxes, other payments, as well as the maintenance costs for the year.

4. Zakah also applies to one's savings and investments.

*As for the detailed rules of zakah, we are advised to consult resources such as the Calculation of Zakat for Muslims in North America by Monzer Kahf.

** We have used the nisab of silver as the basis for calculation, as this is closer to the spirit of the legislation and will facilitate the poor and needy more than the higher nisab of gold, which has fluctuated wildly over the past few years.

Simple Zakat Calculator (Example)	
Cash & minimum balance in the bank which stayed with you throughout the year	3000
Total Value of shares, stocks, bonds, etc.	2000
Total value of gold/silver certificates	1000
Total value of gold in jewelry (except what is used by women regularly--as long as it does not exceed more than two and a half ounces)	1000
Total value of silver in jewelry	500
Total value of all the above	7500
Zakat to be paid: $\\$7,500 \times 2.5\% = \\187.50	\$187.50

Notes:

1. 2.5% is \$25.00 in every \$1,000.00
2. For the current value of gold or silver, please check with your local bank or online

For more information, please check www.islam.ca or askthescholar.com