

Zakat and Zakah calculation and its significance

Zakat is another Pillar of Islam, and giving Charity becomes even more important during Ramadan. It is a way to purify your wealth for the will of Allah (SWT) and is payable on assets owned over one lunar year. The collected Zakat is required to be given to the poor and deserving people. You can calculate this year's Zakat using IslamicFinder's [Zakat Calculator](#). In Ramadan, all good deeds are rewarded more than in any other month of the year. This is the why many people choose give Zakat (Sadqa) to poor in this Month. Here are the [Ways to be charitable in Ramadan](#).

Zakat calculation and its significance

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Zakat purifies your wealth and brings you closer to Allah.

Knowledge

Zakat is one of the five pillars of Islam on which the foundations of the religion stand. It refers to the giving of alms to the poor and needy among the Muslim Ummah. It is obligatory on every adult Muslim who owns a specific amount of wealth and/or savings.

The Prophet (PBUH) said:

“Do not withhold your money, (for if you did so) Allah would with-hold His blessings from you” (Bukhari 2:24:513)

In another hadith, with respect to the importance of Zakat, Abu Hurairah (RA) narrated:

Allah's Apostle said, “Whoever is made wealthy by Allah and does not pay the Zakat of his wealth, then on the Day of Resurrection his wealth will be made like a bald-headed poisonous male snake with two black spots over the eyes. The snake will encircle his neck and bite his cheeks and say, 'I am your wealth, I am your treasure.'” (Bukhari 2:24:486)

The idea behind giving Zakat is that of purifying your wealth and property and giving some away in the name of Allah Almighty who is the Most Merciful and Benevolent. In the [Quran](#), Allah says:

“[Alms are] for the poor who have been restricted for the cause of Allah, unable to move about in the land. [...]” (Quran 2:273)

Who deserves Zakat?

“The alms are only for the Fuqara (the poor), and Al-Masakin (the needy) and those employed to collect (the funds); and to attract the hearts of those who have been inclined (towards Islam); and to free captives; and for those in debt; and for Allah’s cause, and for the wayfarer (a traveler who is cut off from everything); a duty imposed by Allah. And Allah is All-Knower, All-Wise.” (Quran 9:60)

How to calculate?

Zakat is payable on the amount of savings and wealth left after expenditure for subsistence. This amount is known as Nisaab, which must be equivalent to 85 grams of gold or 595 grams of silver. In consequence, 2.5% is the amount of money which has to be given as Zakat. However, calculating the amount of Zakat on different kinds of assets is a lengthy task.

For your convenience, you should set a date each year around which you must calculate your Zakat. Zakat is payable on silver, gold, cash along with merchandise that is brought for business. Hence, when the date arrives, you should add up all the payable assets subtracting any debts or current expenditure. The 2.5% is to be paid on whatever assets remain after deduction. Zakat is payable on what remains saved on that particular date (and not on what is spent), making income irrelevant for the purposes of Zakat.

If you are confused as to how you calculate Zakat or what items should be included when making calculations, use [Zakat calculator by IslamicFinder](#).

In the Quran, time and again Allah says:

“Eat from their fruits, and give the due alms on the day of harvest.” (Quran 6:141)

There is much emphasis on giving to the needy and poor and each year. Hence if we pay our Zakat on time, we can include these sections of society and play an active part in bettering their conditions, that too in the name of Allah Almighty.

Zakat Calculator

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Getting started

Zakat is one of the Pillar of Islam and a way to purify your wealth for the will of Allah (SWT). It is payable on assets owned over one lunar year. It is calculated as 2.5% of the total wealth.

The collected amount is paid first to zakat collectors, and then to poor Muslims, to new converts to Islam, to Islamic clergy, and others.

To start calculating your zakat this year, click on the button below.

Base Nisab on value of

1. Zakah purifies the property of the people with means and clears it from the shares which do not belong to it anymore, the shares which must be distributed among the due beneficiaries. When Zakah is payable, a certain percentage of the wealth should be distributed immediately in the right manner, because the owner no longer has moral or legal possession of that percentage. If he fails to do so, he is obviously retaining something which does not belong to him. This is corruption and plain usurpation from every point of view, moral and spiritual, legal and commercial. It means that the unlawfully retained percentage makes the whole lot impure and endangered. But, on the other hand, if the poor's dividends are assorted and distributed among due beneficiaries, the remaining portions of the lot will be pure and decent. Pure capital and decent possessions are the first requisites of permanent prosperity and honest transactions.
2. Zakah does not only purify the property of the contributor but also purifies his heart from selfishness and greed for wealth. In return, it purifies the heart of the recipient from envy and jealousy, from hatred and uneasiness; and it fosters in his heart, instead, good will and warm wishes for the contributor. As a result, the society at large; will purify and free itself from class warfare and suspicion, from ill feelings and distrust, from corruption and disintegration, and from all such evils.
3. Zakah mitigates to a minimum the sufferings of the needy and poor members of society. It is a most comforting consolation to the less fortunate people, yet it is a loud appeal to everybody to roll up his sleeves and improve his lot. To the needy it means that it is by nature an emergency measure and that he should not depend on it completely but must do something for himself as well as for others. To the contributor it is a warm invitation to earn more so that he can benefit more. To all parties concerned, it is, directly as well as indirectly, an open treasure for spiritual investment that compensates abundantly.
4. Zakah is a healthy form of internal security against selfish greed and social dissension, against the intrusion and penetration of subversive ideologies. It is an effective instrument in cultivating the spirit of social responsibility on the part of the contributor, and the feeling of security and belonging on the part of the recipient.
5. Zakah is a vivid manifestation of the spiritual and humanitarian spirit of responsive interactions between the individual and society. It is a sound illustration of the fact that though Islam does not hinder private enterprise or condemn private possessions, yet it does not tolerate selfish and greedy Capitalism. It is an expression of the general philosophy of Islam which adopts a moderate and middle but positive and effective course between the Individual and the Society, between the Citizen and the State, between Capitalism and Socialism, between Materialism and Spirituality.

The Rate of Zakah

Every Muslim, male or female, who, at the end of the year, is in possession of approximately fifteen dollars or more, in cash or articles of trade, must give Zakah at the minimum rate of two and one-half percent. In the case of having the amount in cash the matter is easy. But when a person has wealth in business stocks or trade articles, he must evaluate his wealth at the end of every year according to the current value and give Zakah at the same rate of two and one-half percent of the total value of the wealth. If his investment is in immovable property like revenue buildings and industries, the rate of Zakah should go by the total net of the income, and not of the total value of the whole property. But if he puts up buildings and houses for trade or selling, Zakah rate should go by the total value of the entire property. Also if someone is a creditor and the indebted person is reliable one should pay Zakah for the amount he has lent because it is still a portion of his guaranteed wealth.

In all cases it should be remembered that one pays only for his net balance. His personal expenses, his family allowances, his necessary expenditures, his due credits-all are, paid first, and Zakah is for the net balance.

It should also be remembered that the rate of 2.5% is only a minimum. In times of emergency or arising needs there is no rate limit; the more one gives, the better it is for all concerned. The distribution of Zakah serves all purposes for which numerous fundraising campaigns are launched. The Zakah fund substitutes for all the other funds. It is authentically reported that there were times in the history of the Islamic administration when there was no person eligible to receive Zakah; every subject-Muslim, Christian, and Jew- of the vast Islamic empire had enough to satisfy his needs, and the rulers had to deposit the Zakah collections in the Public Treasury. This shows that when the Zakah law is enacted properly it minimizes the needs of the citizens and enriches the Public Treasury to such an extent that there may be no needy or poor, and that enormous amounts of surplus are available.

The unflinching power of this effective measure of public interest stems from the fact that it is a Divine injunction, an ordinance from God Himself. It is not a personal matter or a voluntary contribution; rather, it is an obligation, for the fulfillment of which one will be responsible to God directly. Because Zakah is the legislation of God Himself to be enforced in the common interest, no Muslim is allowed to neglect it. When it is not observed properly, the rightful authorities of the State must interfere on behalf of the public to establish the institution and see to it that it is enforced.

The Due Recipients of Zakah

The Holy Qur'an classifies the due recipients of Zakah as follows:

1. The poor Muslims, to relieve their distress; 2
2. The needy Muslims to supply them with means whereby they can earn their livelihood;
3. The new Muslim converts, to enable them to settle down and meet their unusual needs;
4. The Muslim prisoners of war, to liberate them by payment of ransom money;
5. 5. The Muslims in debt; to free them from their liabilities incurred under pressing necessities;
6. 6The Muslim employees appointed by a Muslim governor for the collection of Zakah to pay their wages;
7. The Muslims in service of the cause of God by means of research or study or propagation of Islam. This share is to cover their expenses and help them to continue their services;
8. The Muslim wayfarers who are stranded in a foreign land and in need of help.

The due recipient of Zakah is one who has nothing to meet his necessities or has little (less than \$15.00) at the end of the year. If one has approximately \$15.00 or more he must be a contributor, not a recipient of Zakah. If a recipient receives his share and finds that it is sufficient for his immediate needs with a balance of about \$15.00, he should not accept any more. He should return whatever he may receive to other eligible recipients.

Zakah may be distributed directly to individuals of one or more of the said classes, or to welfare organizations which look after them. It may also be distributed in the form of scholarships to bright and promising MUSLIM students and researchers, or in the form of grants to welfare organizations and public service institutions which patronize such causes.

A disabled or invalid poor Muslim is preferable to one who is able and capable of making some earnings. The contributor should use his best judgment in finding the most deserving beneficiaries.

The taxes we pay to governments nowadays do not substitute for this religious duty; it must be earmarked as a special obligation and paid separately, aside from the government taxes. However, the Muslims of North America may take advantage of the tax laws that allow certain deductions for charity. They should pay their Zakah to the deserving beneficiaries and then claim the sums paid as proper legal deductions.

The contributor should not seek pride or fame by carrying out this duty. He should make it as covert as possible so that he may not be victimized by hypocrisy or passion for vanity which nullifies all good deeds. However, if the disclosure of his name or the announcement of his contribution is likely to encourage others and stimulate them, it is all right to do so.

Zakah is also obligatory on cattle and agricultural products. The shares payable in this regard vary from case to case, and need a detailed discussion. So the reader may be advised to consult the elaborate sources of Law and religion.

The following benefits are derived when Zakaah is given:

1. The pleasure of Allah is gained
2. Increase in wealth
3. Protection from losses
4. A cause thus established for Allah's forgiveness and blessings are obtained.
5. Safety from calamities
6. Protection from the punishment of Allah and an evil death
7. A shelter will be provided on the day of judgment
8. Security from severe misfortunes
9. A shield from the hell fire
10. It saves from fear and grief

Welcome to Zakat Information Center

" O my people! I ask of you no reward for this (Message). My reward is from none but Him who created me: Will ye not then understand? " ***Qur'an 11:51***

To learn about Zakat,

One of the most important principles of Islam is that all things belong to God, and that wealth is therefore held by human beings in trust. The word Zakat means both 'purification' and 'growth'. Our possessions are purified by setting aside a proportion for those in need, and, like the pruning of plants, this cutting back balances and encourages new growth.

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.

This category of people is defined in surah at-Taubah (9) verse 60: " The alms are only for the poor and the needy, and those who collect them, and those whose hearts are to be reconciled, and to free the captives and the debtors, and for the cause of Allah, and (for) the wayfarers; a duty imposed by Allah. Allah is knower, Wise." (The Holy Qur'an [9:60](#)).

The obligatory nature of Zakat is firmly established in the Qur'an, the Sunnah (or hadith), and the consensus of the companions and the Muslim scholars. Allah states in Surah at-Taubah verses 34-35: "34:O ye who believe! there are indeed many among the priests and anchorites, who in Falsehood devour the substance of men and hinder (them) from the way of Allah. And there are those who bury gold and silver and spend it not in the way of Allah. announce unto them a most grievous penalty- 35:On the Day when heat will be produced out of that (wealth) in the fire of Hell, and with it will be branded their foreheads, their flanks, and their backs, their flanks, and their backs.- "This is the (treasure) which ye buried for yourselves: taste ye, then, the (treasures) ye buried!" (The Holy Qur'an [9:34-35](#)).

The prophet (pbuh) said: "Any owner of gold and silver who does not deliver from them their right, on the Day of Quiyamah (Day of Judgment), (the gold and silver) will be shaped as foils of fire. Then it will be heated in the fire of Hell; (and) then with it he will be ironed on his side, his forehead, and his back" (narrated by Muslim).

It is agreed between Muslims in all the centuries the obligatory nature of paying Zakat for gold and silver, and from those the other kinds of currency.

Zakat is obligatory when a certain amount of money, called the nisab is reached or exceeded. Zakat is not obligatory if the amount owned is less than this nisab. The nisab (or minimum amount) of gold and golden currency is 20 mithqal, this is approximately 85 grams of pure gold. One mithqal is approximately 4.25 grams. The nisab of silver and silver currency is 200 dirhams, which is approximately 595 grams of pure silver. The nisab of other kinds of money and currency is to be scaled to that of gold, 85 grams of pure gold. This means that the nisab of money is the price of 85 grams of 999-type (pure) gold, on the day in which Zakat is paid.

When is Zakat Due ?

1. Passage of One Lunar Year:

Zakat is obligatory after a time span of one lunar year passes with the money in the control of it's owner. Then the owner needs to pay 2.5% (or 1/40) of the money as Zakat. (A lunar year is approximately 355 days).

2. Deduction of Debts:

The owner should deduct any amount of money he or she borrowed from others; then check if the rest reaches the necessary nisab, then pays Zakat for it.

If the owner had enough money to satisfy the nisab at the beginning of the year, then the money increased (in profits, salaries, inheritance, grants...etc.), the owner needs to add the increase to the nisab amount owned at the beginning of the year; then pay Zakat, 2.5%, of the total at the end of the lunar year. (there are small differences in the fiqh schools here)

Each Muslim calculates his or her own Zakat individually. For most purposes this involves the payment each year of two and a half percent of one's capital. ([Zakat Calculator](#))

A pious person may also give as much as he or she pleases as sadaqa, and does so preferably in secret. Although this word can be translated as 'voluntary charity' it has a wider meaning. The Prophet said 'even meeting your brother with a cheerful face is charity.'

The Prophet said: 'Charity is a necessity for every Muslim. ' He was asked: 'What if a person has nothing?' The Prophet replied: 'He should work with his own hands for his benefit and then give something out of such earnings in charity.' The Companions asked: 'What if he is not able to work?' The Prophet said: 'He should help poor and needy persons.' The Companions further asked 'What if he cannot do even that?' The Prophet said 'He should urge others to do good.' The

Companions said 'What if he lacks that also?' The Prophet said 'He should check himself from doing evil. That is also charity.'

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Current price of Gold:

Current price of Silver:

Zakat Calculator

Year

2009

Cash & minimum Balance in the Bank which stayed with you throughout the year

\$

Total Value of shares, stocks, bonds, and other assets.

\$

Total value of gold/silver certificates

\$

Total weight of gold in Jewelry

oz.

Current price of gold per oz.
please copy from above chart

\$

Total weight of silver in jewelry

oz.

Current price of silver per oz.
please copy from above chart

\$

Clear

Calculate Zakat