



GLOBAL EHSAN  
RELIEF

YOUR COMPLETE

# GUIDE TO ZAKAT

GLOBAL EHSAN RELIEF





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The Prophet (PBUH) said:

“Whoever pays the Zakat on his wealth, will have its evil removed from him.”

Ibn Khuzaimah and Al-Tabarani





## ZAKAT WITH *Global Ehsan Relief*

We have been distributing your Zakat around the world for over 5 years.

The money we were able to collect from your generosity meant we were able to continue delivering life-saving and life-changing aid around the world.

With the Zakat that you paid to Global Ehsan Relief, we delivered hope and help to over 1 million people.

**Last year you  
changed the world  
with your Zakat.**



## WHAT IS *Zakat?*

Zakat is one of the five pillars of Islam and a compulsory act of worship.

It is the requirement that the Muslim who own wealth at or over a certain threshold (called the Nisab) should donate a portion of that wealth (typically 2.5%) to those who are eligible.

Zakat is a means to bring together the Muslim community by placing mercy between the hearts of those who are wealthy and those in need.

Thanks to your generosity we were able to help millions of people in desperate situations.

Fighting poverty, drought, famine, living in conflict, displaced from their homes and coping with the effects of natural disasters.

Your Zakat saved, healed, fed and educated people all across the world. You made your Zakat count for so much, to so many. It's Ramadhan and it's time to make your Zakat count again.

Together we can achieve something amazing.

Linguistically, Zakat in the Arabic language means 'growth.' It can also mean 'purification.' In Islamic law, both meanings are applicable to the term Zakat.

**“Take Sadaqah (alms) from their wealth in order to purify them and sanctify them with it...”**

Al-Qur'an, Al-A'raf, 103

Alongside Salah, Zakat is mentioned 28 times in the Qur'an.

**FULFIL YOUR THIRD PILLAR.  
CLICK HERE TO CALCULATE & DONATE YOUR ZAKAT**

# WHAT IS *Nisab?*

Nisab refers to the current price/rate of 86 grams of gold. The Nisab value informs Muslim of whether they are eligible to fulfil Zakat or not. This is because Nisab is the minimum amount that one should have before they are required to fulfil Zakat.

Upon meeting the Nisab value, one should maintain this amount for 1 Hijri year (or 355 days) before their Zakat is due.

To check the **Nisab Value**, you may visit the website below

[WWW.ZAKAT.SG/CURRENT-PAST-NISAB-VALUES](http://WWW.ZAKAT.SG/CURRENT-PAST-NISAB-VALUES)



## WHY DO YOU NEED TO PERFORM *Perform Zakat?*

Understanding the importance behind the obligation of Zakat can help to:

- **Increase your Islamic knowledge**
- **Provide contentment and fulfillment of the heart**
- **Provide a positive contribution to the world**
- **Earn spiritual reward, insha'Allah**

While Islam encourages Muslims to seek and create halal employment and business, Allah (SWT) Almighty in His Infinite Wisdom has placed several obligations on those who acquire wealth.

Amongst these is the obligation of Zakat, the third of five pillars of Islam. Giving in Zakat or charitable donations should not be a cause for concern. Some may feel they are unable to part with their wealth, in fear that they will then suffer hardship.

Allah (SWT) is The Provider and The Sustainer and we are reminded many times in the Qur'an that not only is Zakat an obligation for the Muslim, but it is also a means to increase in good fortune through His blessings and reward.

There are several virtues and benefits of Zakat, including:

- 1 To distribute the wealth of the community amongst the poor, as mentioned in the famous Hadith of Mu'adh (Allah be pleased with him):
- 2 Removing the love of wealth from the heart, a spiritual disease that could be detrimental to Iman. Thus, it is a form of purification of the heart.
- 3 Encourage giving in the path of Allah, acknowledging that whatever wealth one possesses is in reality the Almighty's.
- 4 Prevention of monopolies in society

**“The person who lends to Allah, a good lending will receive many times more”.**

Al-Qur'an, Al Baqarah, 245



## WHO SHOULD *Pay Zakat?*

Those required to pay Zakat must be:

- 1 Adult (have reached puberty)
- 2 Muslim (Zakat is not paid by non-Muslims)
- 3 You have to meet the conditions of Nisab

In the simplest of terms, if you have saved wealth over the threshold of nisab, then you are required to pay Zakat.





## WHO IS ELIGIBLE *For Zakat?*

Those eligible to receive Zakat can be placed into one of eight categories, which are:

- 1 **Fakir**  
Those with little to no income or wealth
- 2 **Miskin**  
Those who are without food
- 3 **Amil**  
Anyone designated to collect and distribute Zakat
- 4 **Riqab**  
Anyone held involuntarily against their will in captivity or as a slave
- 5 **Gharmin**  
Those struggling with unmanageable debt
- 6 **Fisabilillah**  
Those who fight for Allah (SWT)
- 7 **Ibnus Sabil**  
Struggling and/or stranded travellers
- 8 **Muallaf**  
Friends of the Islamic community and/or revert Muslims

The Holy Qur'an determined who is eligible to receive Zakat, stating:

**“As-Sadaqat (Zakat) are only for the Fuqara' (poor), and Al-Masakin (the needy) and those employed to collect (Zakat funds); and for to attract the hearts of those who have been inclined (towards Islam); and to free the captives; and for those in debt; and for Allah's Cause (i.e. for Mujahidun - those fighting in the holy wars), and for the wayfarer (a traveller who is cut off from everything); a duty imposed by Allah. And Allah is All-Knowing, All-Wise.”**

Al-Qur'an, At-Tawbah, 60

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## What do I need to pay Zakat on?

Zakat should be paid on wealth rather than income.

If we take the example of Adam (our fictional character) who earns \$20,000 a year and has \$200 as part of his yearly savings, Adam would have to calculate his Zakat from the \$200 in his savings as opposed to his yearly income.

Examples of things Zakat is to be paid on include: cash, gold and business assets. For a full list of what you need to pay Zakat on check out our Zakat page.

Another commonly asked question is whether Zakat needs to be paid on valuable items such as property or cars. The answer to this question is, no. These items are exempt.

However, if you intend to sell these items then it becomes a trading good and Zakat will be due on such items if a lunar year passes from the time of your intention to sell.

## Should I be paying my missed Zakat?

It can be easy to forget to pay or to miscalculate our Zakat or we may even be new to recognising this pillar of Islam.

However, it's never too late to pay off our Zakat from previous years.

Missed Zakat would be calculated in the same way you calculate your current Zakat except you use the nisab from the missed Zakat year as opposed to the current nisab value.

## What should Zakat be spent on?

Zakat is a vital tool in the fight against poverty. Zakat needs to be distributed in the poorest communities and can be used towards improving education, the environment, health, food security and more.

For the past 7 years, Global Ehsan Relief has distributed over \$500,000 in Zakat in over 20 countries.

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“Take alms from their property that you may purify and sanctify them and pray for them. Verily your prayers are a comfort for them.”

Al-Qur'an, At-Tawbah, 103

Zakat can be used towards helping the poor break out of the cycle of poverty.



## WHEN IS *Zakat Paid?*

Your Zakat year starts on the date your wealth first equaled or exceeded the Nisab. Zakat is then payable after one lunar year has passed and every year thereafter on that date.

If you cannot remember the date you first became owner of the Nisab, then the date should be estimated.

If this is not possible then a random date should be selected and adhered to. Paying Zakat in Ramadan is not necessary, although giving charity in this month guarantees greater rewards.

### Zakatable Items,

#### 1 Cash and Liquid Investments

It is fully subject to Zakat. You should include cash in all your bank accounts, in your wallet - even under your mattress! If interest has been earned on your liquid investments, then it should be given away to charity and only the principal amount should be noted for Zakat purposes.

The Prophet Muhammad (PBUH) said:

**“The best charity is that given in Ramadan.”**

Tirmidhi

#### 2 Gold and Silver

Gold and silver, in whichever form (jewellery, coins, etc.) are subject to Zakat. The Hanafi School treats all gold and silver jewellery as Zakatable, regardless of whether it is worn or stored.

If you own personal use items made from a mixture of metals, these are only liable to Zakat if half or more of the metal is gold or silver. Some scholars hold that the proportion of gold or silver in any owned asset is Zakatable.

You can find out the current value of your gold by consulting your local jeweller.

#### 3 Shares, Unit Trusts and Equity Investments

If shares are purchased with the express intention for resale, then the entire holding is subject to Zakat.

If shares are purchased as an investment to generate dividends, then as Zakat is only due on the Zakatable assets of the firm, a realistic attempt must be made to calculate the percentage of the share-holding relating to Zakatable assets.

Any dividends received should be added to one's cash balance for Zakat purposes.



#### 4 **Property and other fixed assets**

The house in which you live is not subject to Zakat. If a property or other fixed asset has been purchased with the intention to resell, then the entire value of the property/asset is subject to Zakat.

If there is any other intention, then it is not subject to Zakat. Any rental income from properties owned should be added to one's cash balance for Zakat purposes.

#### 5 **Pension**

Zakat is payable in full on pensions received after retirement. For monies set aside for pensions prior to retirement, Zakat is only payable if the pension assets are being invested on behalf of the pension holder. If no such investment is being made, then Zakat is not payable.

Please note if pension monies are able to be invested, care should be taken to invest in a shari'ah compliant investment, and the Zakat liability will be determined by the nature of the investment.

#### 6 **Debts Owed To You**

Zakat is payable on strong debts, i.e. money that is owed to you that you are confident will be paid. This may include business debts, personal loans to friends and family. This does not include outstanding wages, dowry, inheritance or assets held in trust (other than assets held under a Bare Trust).

#### 7 **Business Assets**

Business assets are subject to Zakat. These include cash, finished goods, work in progress, raw materials and strong debts, i.e. money owed to the business that is likely to be received.

All business assets should be valued at their current market price. For finished goods, this should therefore be their retail sale price. For unfinished goods, this should be whatever price you expect the unfinished good to fetch on your Zakat anniversary date.

#### 8 **Personal Liabilities**

Certain liabilities can be deducted from your Zakatable assets before calculating how much Zakat you owe. These include outstanding or overdue living expenses such as a rent payment or utility bill, as well as debts.

With regards to long-term debt, such as a mortgage or student loan, then the view of the Al-Qalam panel is that the forthcoming years' worth of payments can be deducted for Zakat calculation purposes.

However, because repayment of such debt is not required immediately and because such a deduction may even prevent someone on a high income from paying Zakat, you may choose not to subtract any part of your long-term debts from your calculation.

“Indeed Allah  
increases for  
whomsoever He  
wishes”

Al-Qur'an 2:261

[CLICK HERE TO MAKE YOUR ZAKAT COUNT](#)



# INTENTION TO *Give Zakat*



## When should Zakat be distributed?

Zakat should be paid as soon as possible. At the very latest, Zakat should be distributed one year after the due date.

## Where should it be distributed?

It is preferred to give Zakat locally if deserving recipients exist. The number of those eligible to receive Zakat is increasing and such individuals have a right to the support of Zakat payers. Situations of extreme poverty and disaster relief around the world also deserve support.

Muslims across the globe are one community and as such we should regard each other as one family. At Global Ehsan Relief we believe in coming together to help those in need wherever they may be.

## Where does GER distribute Zakat?

Zakat should be paid as soon as possible. At the very latest, Zakat should be distributed one year after the due date.

## Where should it be distributed?

We collect and distribute Zakat according to guidelines provided by the Quran and Sunnah. With your Zakat we support orphans, widows, the poor, the elderly and families in extreme poverty.

GER also uses the funds to help poor communities to start small businesses and income generation initiatives to break the poverty cycle. Zakat funds also go towards emergency relief programmes for those facing war, natural disaster and famine.

Your Zakat donations are distributed globally to some of the most hard-to-reach people. Our teams work tirelessly in Bangladesh, Indonesia, Myanmar, Yemen, Somalia, Lebanon, Gaza, Syria, Jordan, Sri Lanka – in Africa & Middle East.

**It is mandatory to make an intention when giving Zakat: either at the time of putting the Zakat aside or when making payment.**

## CALCULATING *Zakat*



When understanding how the rules of Zakat apply to you, it is important to remember you only need to pay Zakat if your net assets are equal to or more than the Nisab threshold.

If you only have gold as an asset, then the Nisab measure for gold must be used. If, however, you have a mixture of assets, then the Nisab level for silver should be used.

Although some scholars still maintain that gold should be used regardless, using silver is safer for the payer and more beneficial for the recipients of Zakat.

The Nisab is either 87.48 grams of gold or 612.36 grams of silver.

**To find out the current monetary value of the Nisab limit, it is necessary to establish the market rate for a gram of gold and silver.**

### Additional Notes

It is quite possible that your wealth may fluctuate above and below the level of Nisab during the year. If this is the case, then Zakat is only due if wealth is equal to, or in excess of the Nisab on your Zakat anniversary.

Zakat is always paid on the assets owned on the Zakatable date, not on fluctuating amounts during the year or even an average amount.

It is permissible to prepay Zakat for future years. However at the time of payment the intention must clearly be for future years.

In addition, a Zakat calculation should still be made on the Zakat anniversary to make sure that sufficient Zakat has been paid.

Missed Zakat payments for previous years must be paid as a matter of urgency. A realistic attempt must be made to calculate the Zakat due for each of the years missed.

Last but not least, don't forget to intend specifically the giving of Zakat when you make your payment!

[CLICK HERE TO MAKE YOUR ZAKAT COUNT](#)



## How To Calculate Your Zakat

### STEP 1: Work Out What You Own

Cash in hand  
 Cash in bank account(s)  
 Value of gold (current market value)  
 Value of silver (current market value)  
 Amount given out in loans (where the debtor is able and willing to pay back the loan)  
 Current value of shares  
 Value of goods in stock for sale

**Total Assets** \$

### STEP 2: Work Out Your Outgoing From What You Own

Amount own in debt  
 - Short term loads or those payable within a year  
 Expenses  
 - Tax, rent and other bills due immediately

**Total Liabilities** \$

### STEP 3:

Minus Total Liabilities from the Total Assets and if the amount is more than the Nisab then multiply by 0.025

**Total Assets**

\$

**Total Liabilities**

\$

**Total Zakat**

\$

“It is not piety, that you turn your faces to the East and to the West. True piety is this: to believe in God, and the Last Day, the angels, the Book, and the Prophets, to give of one’s substance, however cherished, to kinsmen, and orphans, the needy, the traveller, beggars, and to ransom the slave, to perform the prayer, to pay the Zakat.”

Al-Qur’an, Al-Baqarah, 177



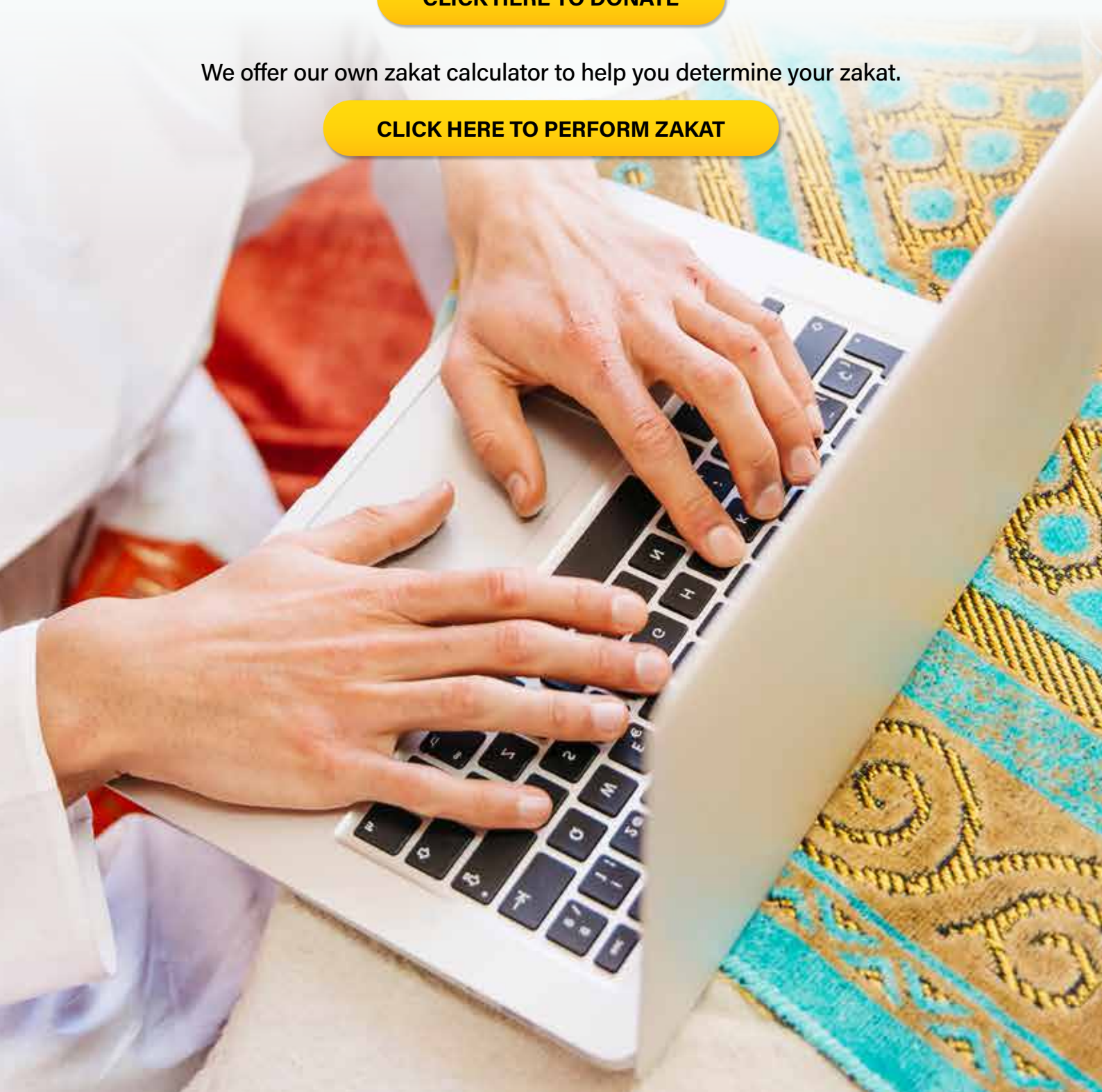
# ENRICH YOUR *Ramadhan This Year*

Support our worthy causes for the month of Ramadhan.

[CLICK HERE TO DONATE](#)

We offer our own zakat calculator to help you determine your zakat.

[CLICK HERE TO PERFORM ZAKAT](#)







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