



penny**appeal**



ZAKAT

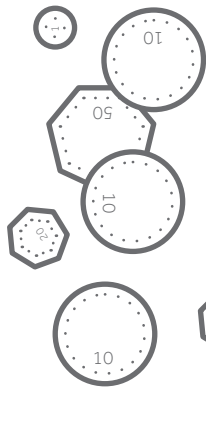
Your
Essential
Guide



What is Zakat?

Zakat is one of the five pillars of Islam, and also an act of worship.

It means "to purify", so paying a portion of one's assets to help those in need purifies all of a Muslim's wealth and makes the wealth that has been gained pleasing to Allah (swt).



Who pays Zakat?

All Muslim adults who are sane and possess the nisab (a minimum amount of wealth held for a year) should pay Zakat.

Where do Zakat payments go?

The Holy Qur'an tells us who may receive Zakat payments:

- The poor
- The destitute
- Collectors of Zakat
- Those whose hearts are to be reconciled
- Those in bondage
- Those who are unable to pay their debt
- In the path of Allah (swt)
- Travellers who cannot afford to return home (wayfarer)



How much is the nisab?

There are two ways to determine the value of nisab – in terms of gold or silver:

- The current value of 87.48g of gold (7.5 tola)

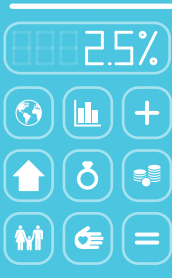
- The current value of 612.36g of silver (52.5 tola)

(One tola is equal to 11.66 grams.)



How much Zakat do I need to pay?

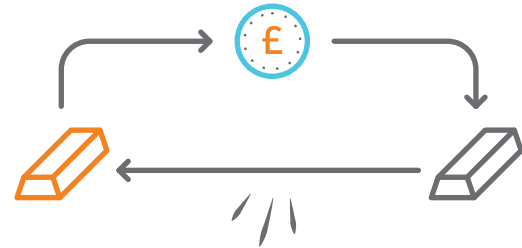
After calculating all your zakatable assets, then deducting all your liabilities, you pay 2.5% on the net zakatable asset figure. On agricultural goods, precious metals and livestock, the rate varies between 2.5% and 20%.



How do I work out how much Zakat to pay?

You don't have to do lots of complicated maths to work out your Zakat payment – simply go to www.zakatcalculator.co.uk and our handy online calculator will do it for you based on your assets, savings, investments, goods, debts and loans. In any case, you should follow these three basic steps when calculating your Zakat.

1. Sum up the value of all Zakatable assets.
2. Calculate the value of all deductible debts and/or liabilities.
3. Finally, determine your net Zakatable asset figure and you pay 2.5% of that as your Zakat payment.



What types of wealth are included in Zakat?

Assets that are included in the Zakat calculation are cash (in hand and in bank accounts), shares, pensions, gold and silver, business goods, crops and cattle and income from investment property.

Personal items such as home, furniture, cars, food and clothing (so long as not used for business purposes) are not included.



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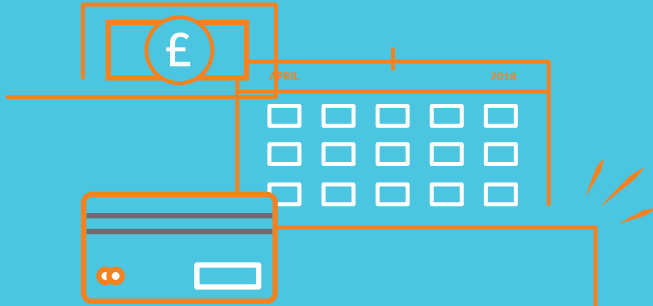


When should I pay Zakat?

Zakat is payable as soon as the nisab (minimum amount of wealth) has been held for a lunar year. If the date of first becoming sahib-un-nisab (owner of wealth equal or in excess of nisab) is known then that must be used, if not then one has to determine, as best as possible, when one became sahib-un-nisab. Use the same date every year thereafter.

Some Muslims choose to pay their Zakat during the month of Ramadan as rewards for good deeds carried out at this blessed time are multiplied. However, there is a duty to pay Zakat when it becomes due and not to delay the payment.

Wealth can fluctuate during the year, going above and below nisab. Zakat is only due if wealth is in excess of nisab at the person's Zakat due date.



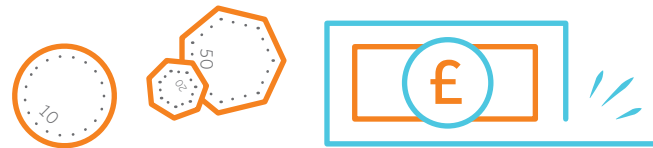
Can I spread Zakat payments throughout the year?

Payments can be made monthly by setting up a regular payment such as a Direct Debit or standing order. The total amount must still be paid by the due date.

Signing up to a Zakat-eligible sponsorship programme through Penny Appeal is an ideal way to spread Zakat payments. We have a range of campaigns, covering orphan sponsorship, well building, feeding and providing eye care, which allow monthly payments towards Zakat to help us transform lives and build futures.

What if I miss a Zakat payment?

If Zakat has not been paid in previous years, whether through negligence or ignorance or error, then an honest attempt must be made to calculate the payment owed. This must then be paid as a matter of urgency.



Can I GiftAid my Zakat payment?

Yes! GiftAid is a valuable tax concession that does not cost donors a penny. It enhances the value of donations made to registered charities by 25% and can be made by all UK tax payers.



It is simple to allow Penny Appeal to claim GiftAid – simply tick the appropriate box on the web page or form when you make a donation.

How to work out your Zakat

1 Assets

Enter all Zakatable assets in your possession at your Zakat due date in the boxes below:



Gold & Silver

Value of gold you possess: £

Value of silver you possess: £

Cash

In hand and in bank accounts: £

Savings for the future: £

Money you have loaned: £

Investments and Pensions: £

Business Assets

Stock value: £

Total Assets: £

2 Liabilities

Enter all liabilities that are outstanding at your Zakat due date:

Money owed: (Borrowed or credit) £

Employees' salaries: £

Other outgoings due: £

(Tax, rent, utilities that are outstanding at Zakat due date. Not future payments.)

Total Liabilities: £

1 Assets

£

2 Liabilities

£

Net Assets

£

£ - £ = £



Net Assets x 0.025

£

=

Zakat

£



Nisab

Current value of Nisab in GBP*:
Gold: 87.48 grams = £2,828.81
Silver: 612.36 grams = £233.18

Values are correct as of March 2018.
If you measure in tolas, then one tola is equal to 11.66 grams

Our Zakat Hub is here to help



Calculate
zakatcalculator.co.uk



Advice line
03000 11 11 11



Book Workshops
pennyappeal.org/zakat

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