419719 - Is money that a child saved for the future subject to zakah?

the question

I am 16 years old, and since I was small I used to take gifts, Eid money and so on and give them to my mother, so that she could keep that money with her for me. But my mother never gave zakah on this money. We used to use this money from time to time, rarely or almost never. One or two years ago, I began to ask my mother to give zakah on this money, but she would delay that, giving the excuse of COVID-19. And she would say: We will do that after the pandemic ends. Now the COVID-19 pandemic is almost over, and I asked my mother to do that again, and I worked out the zakah as follows:

1. I worked it out on a zakah calculator. The zakah on 11,600 riyals = 290 riyals.
2. I multiplied this answer by 16 years, so that I can make up all the past zakah, and the result is 4,640 riyals.

My family objected on the grounds that this amount is too large, because the amount of money was not that much 16 years ago, and because they used to use it rarely, as I mentioned above. So they say: No zakah is due on it so long as we are using it.

My question is:

1. What must I do in this situation?
2. Do I have to give zakah on this money, or am I regarded as being like one who does not own this wealth in a complete sense?

Summary of answer

If the money was saved by the owner’s choice and reached the minimum threshold, and one full Hijri year has passed since it passed that threshold, then zakah becomes due, even if the money belongs to a child. Zakah is not waived with the passage of time, so it must be paid for past years.

Detailed answer

Praise be to Allah.

I.

If the amount of money reached the minimum threshold (nisab) and one Hijri year has passed since it reached that threshold, then zakah becomes obligatory, even if the wealth belongs to a child, and the zakah must be given from his wealth unless his guardian volunteers to give it from his own wealth.

For more information on zakah being obligatory on a child's wealth, please see the answer to question no. 75307.

II.

Saving money and not using it is something that a person can choose to do, but it does not mean that zakah is waived or is that he is not full in possession of the wealth.

It says in a statement of the Islamic Fiqh Council, no. 143 (1/16) about zakah on a limited-access investment account:

1. Zakah is due on the balance of investment accounts and on their profits, and the account owners must give zakah on these accounts if they meet the conditions of zakah being obligatory, whether they are long-term or short-term investments, and even if there is no withdrawal from the accounts because they are restricted by the financial institution, or the restriction is imposed at the request of the account owner.
2. Zakah is also due on the balance of current accounts, and it does not matter if the wealth is being kept to be used by the owner when he needs it, or it is being kept for investment purposes.

End quote from *Qararat wa Tawsiyat Majma` al-Fiqh al-Islami*, p. 265.

So if the money was saved by choice, as appears to be the case, and you are able to dispose of it, then zakah is obligatory if it reached the minimum threshold.

III.

The minimum threshold for cash is measured according to the lower of the thresholds of either gold and silver, as that is better for the poor. The threshold for silver is lower than that for gold; its threshold is 595 grams.

See the answer to question no. 370380.

So you should look at the past years and see how much the wealth was – on the basis of what you think is most likely to be the case – and how much the price of a gram of silver was. Then if the money reached the minimum threshold, zakah must be given on it, and zakah is not waived by the passage of time.

Shaykh Muhammad ibn Salih al-`Uthaymin (may Allah have mercy on him) was asked: There is someone who did not give zakah for four years; what must he do?

He replied: This person is sinning by delaying zakah, because what is required of the individual is to give zakah as soon as it becomes due, and not delay it, because the basic principle is that obligatory duties must be carried out immediately. This person must also repent to Allah, may He be Glorified and Exalted, from this sin, and he must hasten to give the zakah on each of the previous years. None of that zakah is waived; rather he must repent and hasten to give it, so that he will not increase in sin by delaying it any further.

End quote from *Majmu` Fatawa ash-Shaykh Ibn `Uthaymin*, 18/295.

The minimum threshold for cash at the beginning of last Ramadan (1446 AH) was 2,231 riyals.

The minimum threshold for cash now (in Shawwal 1447 AH) is: 595 grams of silver x 14.03 riyals = 8,347 riyals.

You can find out what the price of a gram of silver was in past years by referring to shops that sell

silver, or look on the Internet.

IV.

Assuming that you owned the minimum threshold throughout the past years, and that what is due on 11,600 riyals is 290 riyals, you do not have to multiply this amount by 16 years, because every time you give zakah for one year, and give one quarter of one tenth (2.5%), the sum of money will decrease by that amount.

So if the wealth was 11,600 for example, and you gave zakah for the first year of 290 riyals, what is left will be 11,310.

In the following year, you will give one quarter of one tenth (or divide it by 40), so what you have to give will be 282.75, and what is left will be 11,027.25.

In the third year, you will give the same rate in zakah, which will be 275.6.

And so on... The amount of money will decrease every year, and the amount you must give will change; in the first year it will be 290, in the second year it will be 282.75, and in the third year it will be 275.6.

This applies if the amount you accumulated over these years was 11,600. But if the amount in the first year was 3,000, then in the second year it was 4,000, and in the third year it was 4,500, and so on, every year would have its own calculation.

So hasten to give the zakah for the past years in which you possessed the minimum threshold, and work it out on the basis of what you think was most likely the amount of money every year.

And Allah knows best.