97442 - Is zakaah due on a retirement pension?

the question

I participated in a retirement pension scheme. Is zakaah due on the pension?.

Detailed answer

Praise be to Allah.

We have discussed the ruling on participating in retirement pension schemes, and we stated that participation in these schemes inevitably involves either dealing with a non-governmental organization, in which case it is a kind of gambling, because the person does not know whether he will take more than he paid or less than he paid, which is the essence of gambling, or it involves participating in a government pension scheme, which may not come under the same ruling because the government or bayt al-maal is responsible for spending on the people if they are in need.

For more information please see the answer to question no. 42567.

Shaykh Ibn ‘Uthaymeen (may Allaah have mercy on him) was asked about retirement pensions – is zakaah due on the payments? He replied: We think that no zakaah is due on the money that deducted from the salary for the pension, because the person can only withdraw it if he meets certain conditions, so it is like a debt that is owed by one who is in financial difficulty, and there is no zakaah on debt that is owed by one who is in financial difficulty. But if he takes possession of it, then in order to be on the safe side he should pay zakaah for one year on it. There is nothing wrong with taking it because it is in return for what the state took of his earnings and saved it for him until it was needed. End quote.

Majmoo’ Fataawa Ibn ‘Uthaymeen (18/174).

And Allaah knows best.