229995 - Various questions about zakaah

the question

I am a single woman of 61 years of age with no parents, brother or son. I have a meager source of income through tutoring. Does zakat apply to this? I also rent out one of the rooms in my apartment (which I own). Is this subject to zakat? I have a dollar account which bears no interest. If I pay zakat on the principal it will get depleted fast. Is this subject to zakat? I have some bonds/certificates which bear a small monthly profit. Do i need to pay zakat on the principal? I use up the profit. Lastly do i need to pay zakat on account balances in the bank? This is my only saving for rainy days.

Detailed answer

Praise be to Allah.

Zakaah is due on wealth if it reaches the nisaab (minimum threshold at which zakaah becomes due) and one full hijri year has passed since it reached the nisaab.

It says in Fataawa al-Lajnah ad-Daa'imah (9/281):

Zakaah must be paid on what is saved of an employee's salary and reaches the nisaab by itself or when added to what the individual has of cash, when one year has passed since it reached the nisaab. End quote.

Shaykh Ibn Baaz (may Allah have mercy on him) said:

With regard to money that is being saved for marriage, or to build a home, and so on, it is subject to zakaah if it reaches the nisaab and one year has passed since it reached the nisaab, whether it is in the form of gold, silver, or paper currency, because of the general meaning of the evidence which indicates that zakaah is due on whatever reaches the nisaab, after one year has passed, without exception.

End quote from Majmoo‘ Fataawa Ibn Baaz (14/130).

Whether this money is kept at home, or is stored in a bank account, or otherwise, it is subject to zakaah, if it reaches the nisaab and one year has passed since it reached the nisaab.

The scholars of the Standing Committee for Issuing Fatwas said:

Zakaah must be paid on all kinds of wealth, whether it is saved in the bank or otherwise, if it reaches the nisaab by itself or when added to other kinds of wealth, such as trade goods and the like, and one year has passed since it reached the nisaab.

End quote from Fataawa al-Lajnah ad-Daa’imah (9/200)

Based on that, with regard to this wealth that is kept in the bank – whether it is in dollars or otherwise – it is subject to zakaah every year.

Secondly:

With regard to property that is prepared to be rented out, there is no zakaah on it; rather zakaah is to be paid on the rent, when one year has passed, if it reaches the nisaab by itself or when added to other wealth. Please see the answer to question no. 47760.

But if you spend this rent and do not save any of it, then there is no zakaah on it.

The same may be said about the money that you earn from tutoring: if you spend it and do not save any of it, there is no zakaah on it.

With regard to what you save, when one year has passed, zakaah is due on it.

Thirdly:

With regard to the bonds or certificates, so long as you are keeping them for the purpose of benefiting from their profits and not for the purpose of trading in them, there is no zakaah on the capital or principles; rather zakaah is due on the profits or returns, if any of that is saved and one

year passes. Whatever you spend of it before one year has passed is not subject to zakaah. For more information and important details on the topic of zakaah on shares, please see question no. 69912.

Fourthly:

You should understand that zakaah does not decrease wealth. The Prophet (blessings and peace of Allah be upon him) swore an oath to that effect when he said: “Charity does not decrease wealth.” Narrated by Muslim (2588). In fact zakaah is a means of increasing wealth, bringing barakah (blessing) to it and warding off harm from it.

And Allah knows best.