78807 - Zakah on monthly salaries and how is zakah to be paid by one who is in debt?

the question

I keep my money in the bank, as my monthly salary is deposited directly by my work, and I withdraw it to pay my expenses. I do not know the amount for which one year has passed, so that I can pay zakah on it. I decided on the first on Ramadaan as the day for paying zakah, by working out how much is in my bank account, even if the last payment of my monthly salary was deposited a few days before Ramadaan.

I have two questions:

1 – Is what I am doing to work out my zakah valid?

2 – I recently took a loan from my work to buy a house and I will be paying it off in monthly installments deducted from my salary during the coming year. Should I subtract the outstanding loan from the calculation for zakah, knowing that I have savings in my bank account? For example, if I have savings of one hundred thousand riyals in the bank when Ramadaan comes, and the outstanding loan that I owe is seventy thousand riyals, what is the correct calculation?.

Detailed answer

Praise be to Allah.

Firstly:

It is not permissible to put money in riba-based banks unless that is essential in order to protect it, so long as that is without interest. See the answers to questions no. 23346, 22392 and 49677.

Secondly:

If one full year has passed since you acquired the nisaab (minimum threshold) then zakah must be paid immediately, and it is not permissible to delay it beyond that when one is able to pay. A person does not have the choice of selecting a particular month for paying zakah on his wealth, rather that month should be after one year has passed, unless he is paying it in advance in Ramadaan, before the year has passed, in which case there is nothing wrong with it. But after the year has passed, it is not permissible to delay it until Ramadaan.

See the answer to question no. 26716 and 8400.

Thirdly:

If you pay zakah on all your wealth, even your monthly salary, this is safer and is the easiest way of paying zakah on what you have saved of your salary.

See the answer to question no. 26113 and 50801.

Fourthly:

We have already explained that riba (usury) is haraam, and it is haraam with regard to building and buying houses. If that loan is riba-based, then you must hasten to repent and get rid of it, seeking that which is with Allah and fearing His punishment.

See the answer to question no. 45910, 21914, 22905

Fifthly:

With regard to the zakah of one who is in debt, the correct scholarly view is that the debt cannot be subtracted from the wealth on which zakah is due. In the example which you mention, you have to pay zakah on the full one hundred thousand, and you cannot subtract from it the debt that you owe.

See the answer to question no. 65763, 22449 and 22426.

And Allah knows best.