بِسۡمِ ٱللَّهِ ٱلرَّحۡمَٰنِ ٱلرَّحِيمِ

SBNY
Shariah Board New York

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Common Misconceptions About Zakat

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	✕ Misconception	✓ Correct
1.	✕ Zakat must be calculated every Ramadan.	✓ Zakat has no connection to Ramadan. Zakat must be calculated on your personal hawl date (i.e. zakat calculation date). Your personal hawl date is determined by the first time in your life when you became owner of nisab amount (i.e. you became wealthy according to the Shariah) for one Islamic year. For example: Zaid earned his first paycheck for $1,000 on **Rajab 1, 1443**. He had no wealth before this. One year later, on **Rajab 1, 1444**, he has $1,500 in his account. Now, he must calculate zakat on **Rajab 1st every year.** It is best to pay zakat immediately. One may calculate and store the zakat money separately to pay to the poor when needed or in Ramadan.
2.	✕ Merely estimating zakat is sufficient.	✓ It is sinful to not calculate zakat properly. You may pay more than obligated, but it is necessary to calculate properly.
3.	✕ There is no zakat on gold/silver jewelry in personal use.	✓ Zakat is due on all gold and silver, in whichever form or use they may be in. “Two women came to Rasulullah ﷺ wearing gold bangles on their hands. He said to them, ‘Have you paid its zakat?’ They replied, ‘No’. So Rasulullah ﷺ said, ‘Would you like Allah to put bangles of fire on you?’ They again said, ‘No’. He said, ‘So then pay its zakat!’”. (Tirmizhi, 642; Abu Dawud, 1563; Nasai, 2481; Ahmad, 6667)

4.	✕ Zakat is not due on assets that have not been in possession for one year.	✓ Zakat is to be calculated on **everything in your possession** on your personal zakat calculation date of the Islamic calendar every year. **Whatever belongs to you on this date**, must be included in your zakat assets, regardless of when it came to you; be it one day ago or 10 years ago.
5.	✕ Zakat is not due on money loaned to someone.	✓ The owner of the money (the loaner) must pay zakat on it every year, as long as the borrower acknowledges the loan.
6.	✕ The entire house financing (or other long-term) loan amount will be subtracted from zakat assets.	✓ Only the current payment due (this month) will be subtracted from the zakat assets.
7.	✕ Paying zakat on haram money will make it halal.	✓ Haram money does not belong to you. The **entire amount** must be given away to the poor without any intention of reward.
8.	✕ Zakat is not due on gold unless it is 87.48 grams, even though one has other assets in cash and silver.	✓ If one has mixed assets (cash, gold, silver, etc.), pay zakat on all applicable assets if their total value is least equal to the lower nisab (silver nisab).
9.	✕ Zakat cannot be given to a person who is earning.	✓ Zakat eligibility is based on savings, not on income. If a person is poor, with nothing or nearly nothing at hand, he is eligible to receive zakat even if he has a job and earns just enough to run the family.
10.	✕ Zakat is not due on my 401(k) (or similar) plan because it is not in my hand.	✓ Zakat is due on the full vested amount in the 401(k) (or similar) plan every year. The current value of the portfolio will be used to calculate zakat.
11.	✕ Zakat is calculated on a partnership business, as a whole, on one date.	✓ Zakat on a partnership business is calculated according to the share of each partner on their personal zakat calculation date every year.
12.	✕ Zakat can be calculated according to the civil calendar.	✓ Zakat must be calculated according to the Islamic calendar. Otherwise, you will be paying less than what you owe.
13.	✕ One who does not know their personal zakat calculation (hawl) date can just pay every Ramadan.	✓ Unknown hawl date can be reset it to a new Islamic date of their choice and extra should be paid, one time, for underpayment.

14.	✗ Zakat can be given to social welfare programs and collective relief efforts.	✓ It is necessary to transfer ownership of the zakat amount to an **eligible (poor) individual**. An eligible person can be given for different purposes like relief or other welfare, but they must become the direct and uncondition owner of the amount.
15.	✗ Zakat cannot be given to a (biological) brother or a sister.	✓ Zakat can and should be given to eligible (poor) biological siblings, brothers and sisters. Rather, it is double reward to give to a sibling: one reward for zakat and one for upholding the family relation.
16.	✗ An orphan, widow and handicap individual is automatically eligible for zakat.	✓ An orphan, widow and handicap individual **must be poor (faqir or miskin)** to be eligible for zakat. If the orphan is underage, their guardian must be eligible.
17.	✗ Simply giving money away to someone who looks like they are in need is sufficient for zakat.	✓ Zakat is an obligation from Allah ta'ala. It must be given with intention, calculated properly and transferred to the direct ownership of an eligible individual. Simply looking needy is not sufficient. Some who look needy may have useless possessions beyond their daily basic needs which is more than nisab amount in value, thus disqualifying them from zakat eligibility.
18.	✗ Delivering the zakat amount to an agent is sufficient. For example, putting the zakat amount in a masjid "zakat box".	✓ The agent of a zakat payer must give the amount to the eligible needy individuals. Until it reaches the poor, zakat is still unpaid and remains an obligation upon the payer. Thus, until the masjid management actually pays the eligible individuals, the zakat is not paid.
19.	✗ Simply paying the debt of a needy person is sufficient to fulfill zakat.	✓ The eligible poor individual must be given ownership of the amount. The debt of an eligible poor individual can be paid on his behalf, but by his permission.
20.	✗ Zakat on my cash or gold jewelry is due only on the value beyond the nisab amount. For example, a person has $10,000 in cash (or gold). Nisab amount is $1,000. He thinks he has to pay only on $9,000.	✓ Zakat is due on the entire value of all zakatable assets, cash and gold included. For example, the person will pay on the entire $10,000.