

Do you have the equivalent of nisaab?

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If you have assets above approximately \$2,700 you should be paying zakat.

The Prophet (PBUH) stipulated a minimum amount under which no zakat is due. Zakat is only due on your net estate (after deducting liabilities) if it is equal to or in excess of the stipulated minimum. This minimum is referred to as nisaab. The Prophet (PBUH) stated: "No zakat is due on property amounting to less than five Uqiyas (of silver), and no Zakat is due on less than five camels, and there is no zakat on less than five Wasqs." (Bukhari).

The Prophet (PBUH) specified different minimums for gold and silver, agricultural products and livestock. The majority of jurists concur that for non agricultural assets, nisaab is calculated on the gold and silver stipulation.

The Australian dollar equivalent of this is calculated as follows:

NISSAB		Grams	Tolas	Grains	Troy Oz.	A\$/Troy Oz.	Australian Dollar Equivalent
Gold	20 Mithqaals	87.48	7.5	1350	2.8125	1140	\$3,206
Silver	200 Dirhams	612.36	52.5	9450	19.6857	17.17	\$338

(Commodity prices as at 27 August 2009).

The nisaab calculation will change as the gold and silver prices change. Certain scholars are of the opinion that the lower value should be used. In the Australian context, \$338 is very low and \$3,206 is a more reasonable figure. If you have net assets lower than \$3,206 you qualify to receive zakat, whilst if you have net assets in excess of \$3,206 you must pay zakat.

Being a recipient of Centrelink benefits does not exempt you from zakat.

The fact that you may be a recipient of Centrelink, Family Tax Benefits or other benefits from the Federal government does not exempt you from zakat. If you have net assets above nisaab, you must pay your zakat.

If your net assets either equate to or are in excess of the nisaab, then zakat is due on the entire wealth - no deduction is permitted for the nisaab.

Imam Hanifa was of the view that you need to have the equivalent of nisaab at the beginning and end of the year – if it decreases during the year it does not matter. The Shafi, Maliki and Hanbali schools are of the opinion that you must have nisaab for the whole year. Shafi scholar Imam Nawawi said¹: "In our view and the views of Imam Malik and Hanbal....the amount of property liable for payment of zakah is tied to the completion of nisaab through the turn of the whole year. If the nisaab decreases in any time of the year, [the counting of] the year discontinues. Later, if the nisaab is

completed, the year count is resumed from the time of its completion.”

You can test whether you qualify to pay or receive zakat by completing the following assessment:

Question		Yes	No
1.	Do you own a business?		
2.	Are you employed and earning in excess of \$25,000?		
3.	Are you in receipt of Centrelink, family tax benefits, or pensions?		
4.	Do you have cash, cheque, savings and money market accounts in excess of nisaab?		
5.	Do you have shares in companies, bonds, options, warrants, investment in futures in excess of nisaab?		
6.	Do you own any rented property?		
If the answer to any of the above is yes, then answer the following:			
7.	Are you in debt for more than you own, excluding any mortgage bonds and other long term loans?		
If your answer to question 7 is no, then you should go through the process of calculating your zakat and completing the zakat calculation form that accompanies this book. It is likely that you have the equivalent of nisaab.			

Bibliography

The following books were referred to:

- The Holy Quran
- The following books containing hadith: Bukhari, Muslim, Abu Dawud, Muwatta
- Sallie: *The Book on Zakah*.
- Ullah: *The Essential Hanafi Handbook on Fiqh*, Idara-E-Islamiat.
- Al-Misri: *The Reliance of the Traveller*, Modern Printing Press.
- Nawawi: *Al-Maqasid*, Sunna Books.
- Islamonline.
- Khaf: *The Calculation of Zakah*.

¹ Sabiq: Fiqh-us-Sunnah – section 3.8