

Salaries

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Cash balances (on hand or in various forms in banks and the money market) are subject to zakat. On this basis, scholars have traditionally been of the opinion that salaries are not subject to zakat as your cash balance at the end of the year will capture your savings from your salaries.

However, a number of contemporary Muslim jurists and scholars consider net earned income to be zakatable, including ‘Abd Al-Rahmân Hasan, Muhammad Abû Zahrâ, ‘Abd Al-Wahhâb Khallâf, Muhammad Al-Ghazali, Monzer Kahf, and Mahmûd Abû Sa’ûd (Kahf, *The Calculation of Zakah*, 5; Abû Sa’ûd. *About the Fiqh of Zakât*, 20). A number of these scholars are of the opinion that zakat is due of the net salary after allowing for usual monthly personal expenses. This is in recognition of the fact that a number of professionals earn higher salaries than businesses.

Sheikh Yusuf Al-Qardawi, leading Islamic scholar and author of a book on zakat provides his opinion (source: Islamonline):

1. Those earning salaries that barely meet their needs are not obliged to pay Zakât unless they save the value of nisâb (or greater) for one year.
2. Those whose earnings exceed their needs, and who save the surplus beyond their living expenses, pay Zakât on all that remains (whatever its form or place of deposit) on the Zakât due date, irrespective of whether a year has lapsed on all the funds or not. That is, it is considered as a collective amount for the year, parcelled out through the year. Thus it all comes due on an established annual fiscal date.
3. Those earning in excess of their needs—who neither save nor invest their surplus, but spend it, or part of it, instead on unnecessary items and luxuries—whose Zakât remains due in full on the annual Zakât due date for the portion of their annual salaries that exceeded their basic needs during the Zakât-year.

Paying zakat monthly:

There is a growing view that instead of waiting one year to pay zakat on your savings, you should immediately become liable to pay zakat based on your salary/professional fees/earnings. Sheikh Faysal Mawlawi, deputy chairman of the European Council for Fatwa and Research, states¹: “The majority of scholars, including the Maliki, Shafi’i, and Hanafi scholars, believe that no matter how high the incomes people earn from work are, the incomes are not subject to zakah unless the earners save from these incomes an amount that reaches *nisab* and a lunar year passes while having this amount, or according to the Hanafi scholars, the amount reaches *nisab* in both the beginning and the end of a lunar year. However, there are some eminent Companions, righteous predecessors, and knowledgeable scholars—such as Ibn ‘Abbas, Ibn Mas‘ud, Mu‘awiyah, ‘Umar ibn ‘Abdul-‘Aziz, Az-Zuhri, Al-Hasan, Makhul, Al-Awza‘i—who are of the opinion that if a person earns enough so that after expenses are deducted the *nisab* is reached, he is to pay zakah on that remaining amount as soon as he gets his income. Analogous to this, Imam Ahmad ibn Hanbal was reported to have said that a lessor is to pay zakah

on the rent he gets from the lessee as soon as he gets it. This view is held also by An-Nasir, As-Sadiq, and Al-Baqir, eminent imams of the Prophet's descendents, as well as by the eminent scholar Dawud Az-Zaheri.”

All you are doing is paying your zakat as you earn your salary rather than at the end of the year – there should be no difference in the amount of zakat you pay.

ⁱ Zakah to be paid by professionals – Islamonline – 17 August 2004