Islamic Studies

Pillars of Islam: The almsgiving (zakat)

MLO 3.2.4

Knowledge of the types of wealth on which Zakat is imposed. Awareness of the rules for proper distribution of Zakat. Familiarity with how Zakat must reach eligible recipients.

Types of Wealth on Which Zakat Is Imposed

Zakat is imposed on:

- Gold and Silver – In any form.
- Cash & Financial Assets – Cash, banknotes, stocks, bonds, etc.
- Business Merchandise – Goods held for business, when their value reaches Nisaab.
- Livestock – Eligible livestock owned by a person.
- Rental Income – Income derived from rental business, according to applicable Zakat rules.

Distribution of Zakat

- Zakat should be given as soon as possible after it becomes due.
- The entire amount of Zakat may be given to one person or several people.
- Zakat cannot normally be given as payment for someone's work or services.
- An exception applies to people appointed by the Islamic government to collect Zakat.
- For Zakat to be valid, the recipient must be made the owner of the Zakat amount.

Where Zakat Cannot Be Used

- Zakat cannot be used directly for:
  - Construction of a Masjid
  - Construction of a Madrasah
  - Building a Hospital
  - Digging a well
  - Construction of a bridge
  - Other public amenities
  - Zakat may be paid in kind from the same type of merchandise on which it is due, or it may be paid in cash.