

87580 - Zakaah is due on invested wealth and on any profit made

the question

I have some money that I invested in an Islamic bank, and I am spending the profits made on my wife and children, on essential needs, and I need every last penny of it. I want to pay zakaah on it, so should I give the 2.5% on the accumulated sum, in which case I will not be able to spend on my children because it will be a large amount of the profits? Or should I pay from the profits of this year only, then it will be a small amount? I want to keep the capital as it is, because it is helping us a great deal with our living expenses.

Detailed answer

Invested wealth that produces a profit is subject to zakaah on it and the profit after one year has passed since the capital was acquired, if it reaches the nisaab.

Ibn Qudaamah said in al-Mughni (2/258): The profit on money invested in trade should be added to the capital if one year has passed since the capital was acquired, and zakaah must be paid on the total amount. And he said: We do not know of any difference of opinion concerning that. End quote.

Based on this, you have to pay zakaah on the total amount (the capital and the profit).

If we assume that this will affect your spending on your children, or will mean that you have to take something from the capital, this does not change the ruling. It is known that a person may be obliged to pay zakaah because he owns the nisaab and he may also be entitled to zakaah, because what he has is not sufficient.

Shaykh Ibn ‘Uthaymeen (may Allaah have mercy on him) said: If someone were to say: How can a person pay zakaah and also be entitled to take zakaah?

We say: there is nothing strange about that. If a person has one or two nisaabs that are not sufficient for him to live on, but they have been with him for a year, we say that we will give him his living expenses and we will tell him to pay zakaah, and there is no contradiction. End quote from al-Sharh al-Mumti’ (2/562).

You should rest assured that zakaah does not decrease wealth, rather it blesses it and causes it to grow and increase. The Prophet (peace and blessings of Allaah be upon him) attested to that and said: “Charity does not decrease wealth. No one forgives, but Allaah increases him in honour, and no one humbles himself before Allaah but Allaah raises him in status.” Narrated by Muslim (2588). And al-Tirmidhi (2325) narrated it with the wording: “Three things I swear to you and narrate to you, so learn them: no person’s wealth decreases because of charity, no person is wronged and bears it with patience but Allaah will increase him in honour, and no person opens the door of begging but Allaah will open the door of poverty to him.” Classed as saheeh by al-Albaani in Saheeh al-Tirmidhi.

And Allaah knows best.