



Zakat made simple.

For missed Zakat

A tailored guide brought to you by:



**National Zakat
Foundation™**
A U S T R A L I A

Zakat Made Simple.



Every Muslim community in the world needs a mechanism to uphold the pillar of Zakat, just as our mosques uphold the pillar of Salat. This is what we tasked ourselves with in 2013, when we launched the National Zakat Foundation (NZF) in Australia.

NZF is now the premier local Zakat institution for the Australian Muslim community, serving

Zakat payers and recipients nationwide.

By providing a complete Zakat service in Australia, NZF aims to achieve its vision of a pious, confident, selfless and self-sufficient Australian Muslim community, where no individual in need is left abandoned. It is the only organisation providing an end-to-end Zakat service, encompassing Education, Calculation, Collection and Distribution of Zakat funds for the benefit of local, deserving recipients. This group includes some of the most vulnerable members of the community, including the homeless, refugees, asylum seekers, single parents and the elderly.

Our aim is for every dollar of Zakat that should be paid by Muslims in Australia to be paid accurately and appropriately. We also strive to ensure that those living in our midst who are eligible to receive Zakat are not forgotten and that they are supported in the most impactful possible way. NZF distributes 100% of its Zakat funds in line with the Qur'an and Sunnah.

The aim of this guide is to simplify, provide guidance and encouragement for the reader about his or her obligations in paying (making up) any missed Zakat obligations. This is for Business as well as individuals and families. Miscalculating or missing Zakat from previous years has damaging consequences.

If you require any more information or your situation has more complex conditions or you simply just need help calculating your Zakat, please call us on 1300 663 729 or email us at info@nzf.org.au to schedule a confidential appointment.

How can I have missed paying Zakat?

Zakat is often referred to as the ‘forgotten’ pillar due to a widespread lack of knowledge and understanding about the topic amongst the Muslim community.



Consequently it is possible that you may have miscalculated your Zakat in the past, resulting in paying less than you should have. There may be years where you have missed paying Zakat altogether because you were not aware of the obligation of paying, or maybe even lazy about keeping up to date with your Zakat.

Whatever the reason, miscalculating or missing Zakat from previous years – whether intentional or unintentional – remains a debt to be paid and must be done so without delay. Otherwise, you risk destroying your own wealth as per the hadith:

“Zakat is never intermingled with any amount of wealth without destroying and rotting it.” (Bukhari)

Moreover, Zakat is a right of the poor and holding on to it will not only increase poverty in society but will also result in severe consequences for the individual concerned:

“When a slave of Allah pays Zakat, the Angels of Allah pray for him in these words: “O Allah! Grant abundance to him who spends (in Your cause) and destroy him who does not spend and restricts to himself his wealth.” (Bukhari)

Examples of where you (or your business) may have miscalculated or missed paying Zakat:

- You were basically not aware of how important the paying of Zakat is. (This is why we refer to it as the ‘Forgotten Pillar’)
- You were not a ‘practising’ Muslim
- You didn’t have sufficient knowledge and calculated wrongly
- As a teenager, you may have had sufficient money in your bank account to warrant paying Zakat but not thought about it
- As a student at university, you may have incorrectly assumed that you didn’t have to pay Zakat due to having a student loan
- You may have been unsure as to whether or not to pay Zakat on jewellery
- You may not have distinguished between personal and business assets appropriately
- You may be confused about paying Zakat on your superannuation or other benefits
- You did not understand the business rules in calculating the Zakat.



What about a loved one that is now deceased that has missed paying Zakat in the past?

- Zakat that is due upon a person who has passed away: The Zakat in this case needs to be paid before the inheritance is divided. If the inheritance has already been divided, then the debt remains on the inheritors.
- Also, Zakat that is lost before it has been given: It should be given again and remains a debt until it is done so.

Correct it now!

It's never too late to identify, calculate and pay your missed Zakat, but similarly it's never too early so don't wait until Ramadan before you take action! In fact, it's extremely important to get up to date with your Zakat as soon as possible to purify your wealth and avoid the severe consequences of withholding Zakat – both in this life and the next.

If you think you may have miscalculated or missed paying Zakat in the past, or you are not sure and just want to be on the safe side, we can help you in the following ways insha'Allah.

Use this simple guide to get you started

This guide will start by explaining some of the rules and guidelines of Zakat and then guide you through the steps of calculation. Even if you don't know the amounts of previous years, the guide will explain what to do.

Visit the knowledge section on our website

Free Zakat resources are available on our website (www.nzf.org.au) which can help you brush up on your knowledge and identify areas where you may have miscalculated or missed paying your Zakat. Watch our videos which cover topics such as Zakat on jewellery, business and debts or download our popular and easy to understand Zakat made simple guides.

Use our online zakat calculator

Our comprehensive and easy to use Zakat Calculator is the most advanced tool available online to help you calculate your Zakat quickly and accurately.

Book a consultation

Request a call back from a member of our team who will help you identify areas of missed or miscalculated Zakat. We can also help you understand

how to calculate and pay your Zakat accurately. Book your free consultation or ask any Zakat related questions by emailing info@nzf.org.au or calling 1300 663 729.

Organise a zakat seminar



If you would like us to deliver a Zakat seminar for the benefit of your local community, get in touch with us.

We deliver seminars, free of charge, in an easy to understand format, providing you with the practical skills you need in order to calculate your Zakat, accurately and confidently. It is also an opportunity for you to ask any questions you may have regarding miscalculated or missed Zakat. For further information, contact info@nzf.org.au or calling 1300 663 729

Missed zakat guide

Remember that Zakat is an INDIVIDUAL measurement so it should be calculated separately for each member of the family that may have fallen into one of the categories of missed Zakat. Husband and wife, each should do their own Zakat calculations.

Questions to ask yourself

Is it for myself, my business or a deceased family member?

The same approach will apply for individuals, families, deceased family member or your business. Each one should be calculated separately. If you have children (or any family member) and you are aware of them having not paid their Zakat (possibly for the same reasons as you) then you should take this opportunity to advise them.

Remember you are now trying to correct your obligations that Allah has bestowed upon you. Think of how you will handle a similar worldly situation where the authorities have threatened you with severe penalties or jail if you do not correct your outstanding tax obligations. Look at section on our website about the penalties for not paying your Zakat. Don't wait until the Day of Judgement, do it now.

How many years have I missed?

Obviously this will be different for each case. So it is important that you are honest with yourself and try to be as accurate as possible. If you are not sure how many years, then work backwards. When was the first year you started paying? Count the years from puberty to that year.

Example: You are 30 years old and this is the first year you paid your Zakat. So you need to make up for years 13 (varies for each individual) to 29, which is 17 years.

The same applies for your business.

Example: The business is 10 years old and this is the first year you paid your Zakat. So you need to make up for years 1 to 9, which is 9 years.

Do I have the necessary calculation information?

If you have the information, great. Remember to include the information (especially Jewellery and investments) for any of your children that was under age of puberty for the years you are calculating.

If you don't have the accurate information, then the scholars have recommended the following approach.

Use your best estimation. Take the amounts of the best year, then the worst year and take the middle amount.

EXAMPLE:

We calculating cash savings for the last 10 years

- Best year was year 8, \$5000.00
- Worst year was year 2, Zero
- Middle is \$2500.00

Now use that amount to calculate the 2.5% for the last 10 years, which is 2.5% on \$25,000.00. Which is \$625.00

Obviously if you know the amount for each year than calculate it per year and add it up.



Now do the same for all the other Zakatabale types, such as shares, properties, gold, silver etc. You should use the same method for calculating for a deceased family member. If you have no idea of the amounts to use, then use your best estimates.

For detailed rules and guidelines about each of the types, as well as tables to help you calculate, please refer to our relevant **Zakat Made Simple guides**.

Once you have completed the various amounts, then use our online calculator at **nzf.org.au/zakat-calculator**.

Payments can be made to:

National Zakat Foundation

There are a few options available. Visit our website www.nzf.org.au/pay

Option 1: Bank Transfer

Account Name: National Zakat Foundation Incorporated
Bank: Commonwealth Bank Australia
BSB: 062 196
Acc No: 11378252
References: ZAKAT / SADAQAH / FIDYAH / FITR / KAFFAARAH /
TAINTED WEALTH

Option 2: Direct Debit (One off & Ongoing)

Debit and Credit accounts can be used for all categories of payment types
ZAKAT / SADAQAH / FIDYAH / FITR / KAFFAARAH / TAINTED WEALTH

Option 3: PayPal

PayPal account holder as well Debit and Credit cards can be used without a
PayPal account

Also please consider setting up an on-going payment in any of the above
options by paying your zakat in advance or for on-going Sadaqah to help us
with our administration cost to distribute your Zakat, as we have a policy of
100% Zakat Distribution.

All donations to NZF are also 100% Tax Deductible, so if you require a Tax
Invoice, send us an e-mail at accounts.receivable@nzf.org.au