Calculating missed Zakat

A guide



National Zakat Foundation

Our mission is to connect every Muslim in the UK through Zakat



So, you think you might have missed Zakat?

Missed Zakat is a common issue, with lots of causes. Some people knowingly miss it, others forget, and many just make a mistake when working out the amount. Catching up on missed Zakat can seem like a daunting task but it's important you get it right, as Zakat remains a debt and can't be written off.

This handy guide will help you figure out if you've missed Zakat and how to work out how much.

Where to begin

First things first, check if you have missed or wrongly worked out your past Zakat.

- Someone has enough money in their account to pay Zakat but doesn't realise or think about it
- A student or graduate doesn't realise they have to pay Zakat even though they have taken out a student loan
- A person is not sure whether they need to pay Zakat on jewellery
- A person doesn't differentiate between their personal and business assets
- Someone is confused about paying Zakat on their pension
- A married couple wrongly believes they should work out their Zakat as a couple rather than individually

If some or all the above sound like you, you may have missed Zakat.

Okay, what now?

If you do have missed Zakat catching up straight away is important and you don't need to wait until Ramadan to do it.

Follow our step-by-step guide and you can be fully paid up before you know it.

Work out how much Zakat you need to give
Just like you would with any other Zakat payment, the first thing to do when it comes to missed Zakat is work out how much you need to give.

First off, add up everything you own. This can be done easily using NZF's handy online calculator (www.nzf.org.uk/Calculator).

Here's some more detail about what Zakat is due on.

Cash
Zakat is payable on all your cash whether it's in hand or in a bank account. Add up the total amount you have on each Zakat anniversary.

Money owed to you
If you're owed money and are confident it will be repaid, or you've sold something and are due to receive payment, you need to pay Zakat on these amounts.

Gold & Silver
Any gold and silver you own is subject to Zakat. If you're not sure how much your gold and silver is worth you can check with a local jeweller.

Gold and silver in whichever form they're in (jewellery, coins, or ingots etc.) are all subject to Zakat. The Hanafi school treat all gold and silver as eligible. The other schools' exempt gold and silver for personal use.

Shares & private equity investments
If you own stocks, shares and /or private equity investments then Zakat is due on these investments.

Shares purchased with the intention to resell are fully Zakatable at their current value. If shares are purchased as long-term investments for dividend income, Zakat may be paid using a standard 25% calculation. Take 25% of the current market value of your portfolio and pay 2.5% of this value.

Pensions
If you have a defined contribution scheme pension, Zakat is due on certain assets in the fund.

Ideally, Zakat should be calculated by analysing the proportion of eligible assets in the pension fund. However, NZF has devised a way to simplify this. If you use the 'Calculate' section on our website you can simply select the type of pension and the calculator will automatically work it out.

ISA's, junior ISA's & child trust funds
For ISAs, junior ISAs and child trust funds Zakat is due on the total value of cash ISAs. For shares and stocks ISAs, Zakat is due on 25% of the value only.

Zakat is not due on children in the Hanafi school. However, according to the Shafi'i, Maliki and Hanbali schools, Zakat has to be paid on the wealth of children as well.

Crypto assets
Work out the value of any cryptocurrency you own by converting the value into your local currency.

Business Assets
Business assets including cash, finished goods, work in progress, raw materials and outstanding payments which are likely to be paid, are all subject to Zakat.

Now add up everything you own.



Sorted, what's next?

Once you know how much you own, work out how much you owe.

You can take off any debts due in the current month with some scholars allowing up to 12 months. Ideally, this deduction should only be made if paying Zakat will stop you being able to repay the debt. If not, we encourage you not to take off the debt from what you own.

Again, all this can be quickly worked out using the NZF calculator.

Debts you can take off:

1. Any debt which is due to be fully paid off within 12 months
2. 12 months-worth of payments on any long-term debts (e.g. mortgage)
3. Arrears and overdue payments

Debts you can't take off:

1. Future costs and bills
2. Debts which are not due to be paid at all in the next 12 months
3. Unlawful income such as interest

Go to nzf.org.uk/Calculator to speed things up and find out exactly how much you need to pay



So how much do I need to give?

Now that you've worked out how much you own and taken off how much you owe, check if the remaining amount is over the Nisab value. This is simply the amount you need to own before you're due to give Zakat. It works out at around £2,695 (gold) and £235 (silver). This amount changes over time so if you've missed Zakat over a period of years, you'll need to check the Nisab amounts.

Finally, once you're sure you own enough to give Zakat, work out 2.5% of the balance of what you own and what you owe, and there you go – you have your Zakat amount. Go to **www.nzf.org.uk/Calculator** to speed things up and find out exactly how much you need to pay.

But how do I work out missed Zakat?

Okay, so now you know the basics of how to work out your Zakat, here's how to work out your missed Zakat.

1. Work out if you have missed Zakat
You need to give Zakat 12 Islamic months after you own equal to or more than the Nisab. This is known as your Zakat anniversary.

As the silver Nisab has gone up and down between £50 and £500 over the last 20 years, if you've had more than £50 at any point during that time, you may owe Zakat.

If you've never owned more than the Nisab (after taking off what you owe) then you don't need to worry about missed Zakat. If you have, then carry on to the next step.

2. Work out your Zakat anniversary
To work out your missed Zakat you need to figure out when the amount you owned first equalled or went above the Nisab value.

Here's the lowest amount each year for the past 20 years:

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
£67.60	£62.07	£62.09	£58.72	£69.19	£108.72	£108.72	£116.02	£115.27	£143.75

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
£193.24	£335.44	£366.08	£239.27	£188.60	£186.58	£231.53	£211.64	£221.10	£202.10

The table above will help you to figure out when you started owing enough to equal the Nisab.

You'll need to work out the exact month in which you owned enough wealth. For more support go to **www.nzf.org.uk**.

Once you've figured out a year and a month, you'll need to settle upon a particular date in the month. If you can't remember exactly, you can use any date in the month which you feel is most accurate. If you can't work it out at all, you can use the first day of the month to be on the safe side. If you're still totally unable to figure out a date, pick an Islamic date and stick to it every year.

Once you're satisfied you've done all you can to figure out the correct date, you need to convert this date into the Islamic calendar.

Zakat works with the Islamic calendar which is based on the lunar year. To work out the equivalent Islamic date, you can use an online converter tool: **www.islamicfinder.org/dateConversion.php**

Your Zakat due date for the first year is exactly 12 lunar months after the date you've worked out as your Zakat anniversary. So, for example, if the first time you equalled or went above the Nisab was on 1st Ramadan 1430 (Islamic year) and on 1st Ramadan 1431 you own the Nisab value or more, then Zakat is due.

From now on, this will be your Zakat anniversary as long as you haven't had a debt which can be taken off which is equal to or more than what you've owned during the year.

To finally work out your missed Zakat amount, try to work out how much you owned and owed on your Zakat anniversary each year after you first equalled or went above the Nisab.

For more information and support go to **www.nzf.org.uk**

So I've worked it out, now what?

Now you've worked out how much you need to give, you should do everything you can to pay your missed Zakat immediately. If you genuinely can't pay the entire amount, pay as much as you can as quickly as possible. The amount can be split into instalments. In addition, you'll need to write in your will that you have outstanding Zakat, as the executor will need to settle the amount on your behalf.



FAQs

What if I've paid Zakat for some years and missed others?
If you've given Zakat some years and not others you need to:

1. Work out which years you had Zakat to give but missed the payment
2. Work out the amount you had and take off the amount you owed during those years
3. If the amount is equal to or above the Nisab on that date, work out 2.5% of that amount and pay that total in Zakat. The previous years' missed Zakat can be deducted from the following years.



What if I've missed Zakat on a specific type of possession?
If you've missed paying Zakat on a type of possession, perhaps because you didn't realise it was necessary to pay Zakat on it, you need to:

1. Work out the years that you missed paying Zakat on that wealth
2. Figure out the total value of that possession / wealth on your Zakat anniversary for each year
3. Pay 2.5% of the total
4. The first year you missed Zakat, you need to pay 2.5% of the total. The following year, you can take off the missed Zakat amount from the year before and pay 2.5% on the remaining amount. This sequence will continue for every year.

NZF's vision is a thriving, closer community of Muslims in the UK powered by Zakat

Today NZF is entrusted with millions of pounds of your Zakat each year. And over the last ten years your Zakat has helped more than 30,000 Muslims facing hardship and desperation. We're the only platform enabling Muslims in the UK to give Zakat to those who need it here.

About NZF – Bringing Zakat to life in the UK

So why give Zakat through NZF?
Zakat given through NZF helps Muslims in need across the country by giving them food, clothing, a roof over their heads, skills for work, and education to help upcoming Muslim religious leaders and other community champions reach their potential.

Through NZF, you can:
- Instantly calculate how much Zakat you need to give
- Choose exactly how to allocate your Zakat across various funds and how to help it get there
- Stay up to date with the impact your Zakat is having through our ZakaTracker service

By giving Zakat through NZF you will:
- Help people unlock their potential
- Help create a thriving, closer Muslim community in the UK
- And become part of a ground-up movement for positive change

Since 2011, Zakat given through NZF has helped over 30,000 Muslims in need in the UK, and in 2020 alone, we distributed £3.8million of Zakat to almost 15,000 Muslims in need.

Our Zakat policy

Those in need of Zakat can apply for one of four grants. The experienced and dedicated NZF team works with applicants on a personal level to establish the type of support they need and conduct meticulous checks to ensure Zakat is given in a religiously sound and impactful way.

We're confident that our Zakat policies adhere to scholarly opinions on how Zakat should be distributed, having adopted the most conservative approach to distributing across the different eligibility categories. All our policies and processes have been reviewed and certified by independent scholars, so you can be confident they're religiously sound.



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I'm ready to give my Zakat, now what?

Just go to our website, **www.nzf.org.uk** to get started and in a few, simple steps you'll be bringing Zakat to life where you live.

And if you still have further queries or something is unclear, no worries! Email us at **ask@nzf.org.uk** and we'll be happy to help.

Go to nzf.org.uk and give Zakat now

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