

## Third Pillar Zakat Policy

**In the Name of Allah The Beneficent the Merciful**

**“Indeed, those who believe, do good, establish prayer, and pay alms-tax will receive their reward from their Lord, and there will be no fear for them, nor will they grieve” (2:277)**

### Overview

Zakat is the third pillar of Islam. The literal meaning of Zakat is purification. The technical meaning is the transfer of ownership of a specified wealth to the eligible when the prerequisites are fulfilled.

The Third Pillar Zakat Policy is to ensure adherence to the Quran and Sunnah based on the classical scholarship of the Ahlus Sunnah Wal Jamaah. When in matters of multiple opinions Third Pillar will act under rulings of the Hanafi Madhab.

### Third Pillar’s involvement with Zakat

Third Pillar will act as a Wakeel (agent) on behalf of the donors. Third Pillar will distribute Zakat to those who meet the criteria of being Zakat eligible. One hundred percent of Zakat donations will be given to the beneficiaries. Third Pillar will cover administrative expenses through its administration fund. Please refer to the 100% Donation Policy for further details.

### Recipients of Zakat

A recipient of Zakat must be

- a) Muslim
- b) should not be from the descendants of the family of the Prophet Muhammad (PBUH)
- c) Whose essential needs are not satisfied and are not obligated to Pay Zakat
- d) An individual whose wealth is below the Zakat cutoff or Nisab.

From the seven categories mentioned in the Quran, Third Pillar will distribute Zakat to the Fuqara (poor)/Masakeen (destitute), and Gharimeen (those that are in debt).



Individuals who require financial assistance from Third Pillar's Zakat Program will be required to complete a Zakat intake form. Third Pillar may request information including but not limited to Notice of Assessments, reference letters, account statements, paystubs, expense statements, and Government ID to vet an applicant's eligibility for Zakat.

Approved applications expire **one** year after the approval date at which point an applicant will be required to apply for financial assistance again. This is to ensure that all applicants still qualify to receive financial assistance. **It is the responsibility of applicants to inform Third Pillar regarding any changes in their financial situation that may impact their eligibility to receive Zakat.**

For record purposes collected data will be held for six years or as required by the Government Institutions such as the Canada Revenue Agency.

## **Nisab**

Third Pillar will use Gold as Nisab when assessing Zakat applications in Canada. Individuals whose Net Zakat eligible assets are less than the equivalent of 87.48 grams of gold will be eligible for Zakat. Gold Nisab has been selected to reflect the cost of living of Canadian society.

Net Zakat is Zakat eligible assets less monthly liabilities. Zakat eligible assets include but are not limited to cash, items of gold and silver, financial investments, cryptocurrencies, and commodities. The above is a general calculation and applicants should consult with ulema if they need assistance relating to Zakat.

## **Forms of Distribution**

Third Pillar will distribute Zakat in cash or through in-kind donations. Cash donations will be made directly to the creditor such as the landlord as Third Pillar if both parties agree for Third Party to be a Wakeel (agent). In-kind donations will include but not limited to food staples such as rice, flour, oil, and other essential necessities.