THE LEVEL OF UNDERSTANDING OF INCOME ZAKAT AND ITS IMPLEMENTATION AMONG MUSLIMS IN STATE OF PERAK

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Abstract
Income zakat is an annual tax or payment imposed on certain amount of income generated from either fixed or non-fixed sources, generally known as al-Mal al-Mustafad. In Malaysia, this kind of payment or zakat was first made mandatory in 1997 by National Fatwa Council Malaysia. The fatwa or decision was then gazetted by all state governments in Malaysia except that of Perak. This research aims to identify the level of understanding among Muslim community in the state of Perak regarding income zakat and its relevant procedures particularly the calculation of zakat. It is imperative to explore this issue since many Muslims of present day fail to perform zakat income as they are not aware of the tax or payment that has been made incumbent on them. Furthermore, the study also sheds light on the people’s level of understanding of how the zakat payment is to be calculated or counted. The findings of this study are useful for relevant agencies in particular religious bodies, in finding ways and means to disseminate awareness to the Muslims of their responsibility to pay income zakat, which will result in an increase of zakat revenue that can be then utilized for the enhancement of the economy of Muslims in the country.

Keywords—Income zakat, Understanding, Implementation, Self-Calculation, al-Mal al-Mustafad

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INTRODUCTION
The rulings on zakat are results of ijtihad or legal reasoning by Muslim jurists. In the early days of Islam, the term “income” was initially referred to agricultural output. This is based on a Quranic verse i.e. surah al-Baqarah 2:267. The ijtihad done by contemporary Muslims jurists derived from some Quranic verses concludes that both al-Mal al-Mustafad (income property) and al-Mal al-Mustaghfali (property or profits derived from non-zakat property) are entitled to zakat. Ilah or the main reason for zakat to be imposed on a particular property is due to the ability of the property to grow naturally or through human efforts (Ibn Abi Syaibah, 1989). The growing of the property can be seen in the profits accumulated through economic transactions, expansion of industry, dividends, multiplication, end products resulting from jobs performed by professionals such as wages, bonuses, salaries, as well as something received due to rewards or transfer grants such as pensions, subsidies, allowances, gifts, compensation, and the like (Yusuf al-Qaradawi 1424/2003). Muijaini Tariimin (1999) divided al-Mal al-Mustafad into four categories namely, profits gained from commercial activities or husbandry done by individuals or companies, income gained through rewards or wages or professionals services, income obtained from employment, and finally, income obtained following certain circumstances such as death, marriage, and end of service period. The income can also be in the form of gifts, inheritance, subsidies, etc. Changes in life style and developments in contemporary period led to the inference that today’s zakat includes various types of property in diversified sectors. Among the property sectors that very much involved Muslims include business, income (al-Mal al-Mustafad), savings, industries, services, capital markets, sukuk (bonds), etc. That being said, the most significant type of zakat involving Muslims of today is that related to income generated from either fixed or non-fixed sources.

In view of the increasing importance of such zakat, the questions that arise include, to what extent do Muslim masses understand the concept of income zakat? How do they obtain information about the mandatory payment of income zakat? Do the people have knowledge of how to calculate income zakat? Who are expected to assist the Muslims in resolving issues concerning income zakat? To answer these questions, this study is hence conducted to identify the level of knowledge of income zakat among the Muslim community, the sources of information through which they learn about their obligatory duty of paying income zakat, and their level of understanding of the implementation of income zakat in terms of self-calculation of the zakat.

LITERATURE REVIEW
There have been some studies and works done on income zakat. The studies emphasized on different aspects related to income zakat namely, its importance, knowledge as well as issues pertaining to its execution or implementation. Husein Sahatah (2003) and Rifat ‘Abd al-Latif Masihur (1989) explained the conditions of property that are eligible for zakat. Shahizan Haji Ismail, Jumaelya Jogeran and Prof. Madya Dr. Abd. Halim Mohd. Noor (2012) in their study on the factors that influenced zakat payment among Muslim staff members of UiTM concluded that the number of zakat payers in Malaysia is still low compared to the total Muslim population which constitutes 60% of 28.3 million people in this country. Kamil Md. Idris (2002) on the other hand, did a research on the compliance behaviour of income zakat in the state of Kedah to identify the dimension of attitudes towards the obligation of paying zakat. In doing so, a compliance behaviour model was designed to understand how the affected variables influenced compliance behaviour among people. He discovered that there are seven positively connected variables with the compliance behaviour to pay income zakat i.e.
zakat laws, quality service, promotion disclosure, three components of attitude and knowledge.

Nizamul Hoque, Mohammad Akhtaruzzaman Khan and Kazi Deen Mohammad (2015) examined the state of poverty in Muslim countries. They explained that the prevailing poverty is indeed an eye-opener to acknowledge the very urgent need for the empowerment of zakat institutions and distribution methods, which can be achieved for instance, through conversion of zakat into capital for those in need (asnaaf) to start own businesses. The study by Psahah Johari, Muhammad Ridhwan Ab. Aziz and Ahmad Fakhe Mohd Ali (2014) demonstrated that zakat matters are the most discussed issues among Muslim scholars and researchers in the field of economy, and this is understandable since the augmentation of zakat is crucial in reducing the rate of poverty among people. Luqman Hj Abdullah, Wan Marhaini Wan Ahmad and Wan Zulkifli Wan Hasan (2014) discussed legal issues pertaining to income zakat that caused disputes among Muslim scholars. One of those issues of conflict is that of hauth (completion period for zakat asset). Hamizul Abdul Hamid (2012) in the meantime, explained the issue of income zakat and the history of its gazetting in Malaysia. Suryani Masan (2012) in her Master thesis at University of Malaya has assessed the method of implementation of income zakat through salary deduction. Her research suggested some improvements to zakat payment through salary deduction so as not to deflect from Islamic law. Meanwhile, the work of Magda A. Molsin, Ahcene Lahssas and Ezzam Shah Ismail (2011) recommended other Muslim countries to imitate the salary deduction scheme of income zakat as practised in Malaysia in order to increase awareness among Muslims of their duty to pay zakat.

To popularize zakat among the Muslim community, the understanding of zakat should be reinforced. Laws on income zakat have already been discussed in great length by Dr Yusuf al-Qaradawi (2003) in his work, *Fiqh al-Islami wa Adillatuh*. Dr Hussein Shahatah for one has reasoned that the income zakat is mandatory. Income zakat was first introduced during the reign of Muslim Caliph, Uthman ibn Affan who imposed zakat on the properties acquired by Muslim soldiers. The practice was subsequently continued during the reign of Caliph Muawiya ibn Abi Sufyan and Caliph Umar ibn Abdul Aziz. In Malaysia, zakat management has steadily grown resulting in income zakat to become one important source of zakat.

The effectiveness of zakat collection and its connection with the level of people’s understanding of zakat was pointed out in the work of Nuur Barizah Abu Bakar and Hafiz Majdi Abdul Rashid (2010) who concluded among others that if zakat education can be adequately promoted among Muslims, the zakat system in Malaysia will have a greater impact in empowering the economy of the ummah. Another study on income zakat was conducted by Mohd Ali Mohd Noor, Hairunnizam Wahid and Nor Ghanzi Md. Nor (2004). Focusing on the awareness of paying income zakat among professional staff of UKM, the study demonstrated that the factor of faith and knowledge of zakat have a correlation with the increase of income zakat payment among the UKM staff. Muhammad Yusuf Alfarabi Md Isa (2015) in his study of HAMKA’s ideals or understanding of zakat laws maintained that the latter was inclined to relate the influence of knowledge of zakat to positive implications on the Muslim community or ummah. On the importance of knowledge of zakat, Nik Norazmala (2011) discovered that there were some batik entrepreneurs in Kelantan who did not pay income zakat due to lack of understanding supposedly provided to them by zakat institutions. Dicky etal (2016) in the meantime, found that educational institutions played a very important role in providing zakat knowledge or understanding to the community. The finding is the result of his research on the residents of a Polyechnic of Kota Kinabalu.

Due to progressive changes in the lifestyle of Muslim society of today, the trend of income outcome consequently underwent notable transformation. This scenario renders income zakat increasingly important as it inflates the ability of zakat institutions in helping the asnaaf or those entitled to zakat.

**METHODODOGY**

This study is a descriptive study which, as stated by Uma (2003), is the kind of research that aims to identify, define or explain any phenomenon that exists. The approach used for the study is both quantitative and qualitative. For quantitative method, a total of 80 respondents were randomly selected in three districts namely, Manjung, Perak Tengah and Kinta. Regardless of specific criteria, 46 male respondents and 34 female respondents gave their feedbacks on the issues or questions raised in the distributed questionnaire related to income zakat. The questionnaire was structured into five sections namely, part A; demography, part B; knowledge of income zakat, part C; sources of information on income zakat, part D; understanding of income zakat, and part E; knowledge of the implementation of income zakat. The feedbacks were then analyzed using SPSS by means of percentage and frequency in order to summarize the level of understanding of income zakat and its implementation in the society. For qualitative method, the study was conducted via library research which involves collection of relevant materials and data from various sources and works, aimed at analysing different views of scholars on the issue of income zakat.

**FINDINGS AND SUMMARY**

Respondents in this study consist of men and women with the number of male respondents exceeds that of female respondents by 15%. Majority of the respondents are married with only 5% are widows. In terms of job or career, majority of the respondents work either in public or private sector. Only 2.5% of them are self-employed. The majority of respondents i.e. 32%, earn an income of RM4001-RM6000 per month, while 35% earn a high income of more than RM6000 per month. Generally, the income of such amount reaches the zakat *nisab* (sufficient amount or value eligible for zakat), but is still subject to individual’s needs and liabilities. Rationally, the respondents whose income reaches the *nisab* rate should have performed the obligatory income zakat. The findings of the study are relevant in order to ascertain the level of knowledge, understanding as well implementation of income zakat among the respondents who represent the Muslim community in the state of Perak.

Regarding the respondents’ level of knowledge of income zakat, the study finds that majority of the respondents are aware of such zakat and the obligation to pay income zakat in the country. Notwithstanding this, only 45% of the respondents have a good grasp of the income zakat where as majority or 55% of the respondents lack sufficient knowledge of the zakat. Meanwhile, a small number i.e. 12.5% have neither knowledge of income zakat nor understanding of their responsibility to pay zakat. This demonstrates that the awareness of the obligation to perform income zakat is well spread among the members of the society except for a few.

Indeed, the knowledge of income zakat is very much related to the sources through which the respondents received the information. With this regard, an analysis shows the Islamic Religious Council of Perak (MUIPK), mass media and the respondents’ co-workers play such a significant role in propagating information related to income zakat. The score for each is 52.5%. In addition, the role of higher learning institutions is equally important with the score of 35%, followed by employers at 22.5% as they act as agents in communicating the informatiorial responsibility of paying income zakat to their employees, and finally, the respondents’ parents 17.5%. The findings thus illustrate that the MUIPK has been successful in
disseminating the zakat information to the Muslim community in Perak. Furthermore, it is imperative to emphasize on the education of zakat in the higher learning institutions since students would one day graduate, earn income and contribute to the economy of the country. The significance of the role of educational institutions is substantiated by a study of Dicky (2016). Additionally, Muslim employers should play a more effective role in encouraging their employees to pay income zakat which would in turn enhance the capacity of zakat in empowering the ummah. No less important is an internal factor i.e. the role of family in promoting awareness of the obligation to pay zakat. Parents serve as a primary educational institution for each Muslim individual that not only do they influence the children’s behaviour but also their commitment to religious injunctions.

An analysis on the level of understanding indicates positive results where more than 50% of the respondents display a good knowledge of fundamental aspects of income zakat payment. However, there is less understanding with respect to income zakat and its connection to non-fixed sources of monthly income such as remuneration, allowances, bonuses, etc., as illustrated in the false answers given by 50% of the respondents. This is most likely due to the wrong perception that zakat is imposed on basic income only, excluding allowances and the like, similar to the calculation for income tax payment in the country. As such, it can be concluded that while most people understand the basic concepts of income zakat, yet, the understanding is by no means conclusive. This therefore, necessitates continuous efforts by relevant parties to further spread the information on income zakat to Muslim community working in various sectors. Moreover, the outcomes of the study also show a correlation between knowledge and understanding of zakat in influencing people to pay income zakat. This is in line with the findings of Nur Barizah Abu Bakar (2010), Hairunnizam Wahid (2004), Mohd Ali (2004) and Muhammad Yusry Mohd Isa (2015). On the other hand, lack of knowledge and understanding have effect on the compliance to pay income zakat as substantiated by Nik Norazmalinda (2011) who discovered that the lack of understanding of income zakat provided by Islamic Religious Council of Kelantan for instance, has resulted in many batik entrepreneurs in the state failed to pay the mandatory zakat.

Next, regarding the implementation of income zakat, it can be deduced from the analysis that 55% of the respondents are those who pay zakat consistently while 45% do not do so in a regular manner. Majority of the respondents choose to pay at the zakat institution namely, the MAIPk rather than paying directly to those who deserve zakat (mustahiq) by themselves. Majority respondents also prefer their employers to deduct income zakat from their monthly salaries as this may ease them in making the obligatory payment. Such a preference among the employees should be encouraged by the Muslim employers as a way to assist their Muslim workers who are eligible to pay income zakat. Meanwhile, analysis of some detailed issues concerning the ability to perform self-calculation of zakat indicates that majority of the respondents understand the technical aspects of income zakat. They also comprehend matters related to deductible items in the calculation of zakat and rebates that one could earn in paying zakat. Still, that said, generally 60% of the respondents could not perform self-calculation accurately. Nevertheless, the study also finds that 70% of the respondents who did not pay income zakat denied that their inability to do self-calculation is the reason for them not paying the income zakat. This is compatible with the prevailing verdict among the majority of respondents on the role of zakat institution in providing assistance in the calculation of income zakat. In short, the knowledge and understanding of income zakat is thus of paramount importance as it will prompt someone to pay zakat, while the ability to perform self-calculation is an added value to someone’s conviction in performing the obligatory duty of income zakat.

CONCLUSION
Zakat is a major element of ibadah or worship in Islam. For Muslims, not only is zakat a form of devotion to Allah SWT but also signifies a responsibility towards fellow human beings as commanded by Allah SWT for those who have the means. Indeed, zakat is significant in empowering the economy of Muslim community. In the context of income zakat, it is a result of ijtihad or legal reasoning that corresponds to contemporary developments. The study generally demonstrates that majority of the respondents possess sufficient level of knowledge and understanding of income zakat. This accordingly compelled 55% of them to pay income zakat regularly. While the prevailing situation is no doubt a positive development for Perak, more efforts by various relevant parties are needed to further enhance the level of knowledge and understanding of the obligation of paying income zakat by disseminating information to all members of the community. It is hoped that the increase of knowledge and understanding of income zakat will consequently augment the institution of zakat for the economic survival of the Muslim ummah in Malaysia.

REFERENCES
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