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214221 - How to Calculate Zakah on Gold

the question

A man has 170 grams of gold. How should he work out the rate of Zakah on it?

Summary of answer

The Nisab for Zakah on pure (24 karat) gold is 85 grams. To calculate Zakah on gold, the number of grams is multiplied by the caratage, then divided by 24. The resulting figure represents the pure, 24 karat gold. If that number reaches 85 grams or more, then Zakah must be given on it, at the rate of 2.5%.

Detailed answer

Praise be to Allah.

Nisab for Zakah on gold

The Nisab (minimum threshold at which Zakah becomes due) of gold and silver is based on the pure form of these metals. The amount of impurities or alloys is overlooked, and Zakah is given on the pure gold.

The minimum threshold for Zakah on pure (24 karat) gold is 85 grams, and the fineness of this caratage is 999/1000. This is the highest level of fineness for gold, according to specialists in this field.

How to calculate Zakah on gold

The minimum threshold in the case of 21 karat or 18 karat gold, and so on, is worked out in many ways, one of the most well-known of which is as follows:

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The number of grams is multiplied by the caratage, then divided by 24. The resulting figure represents the pure, 24 karat gold. If that number reaches 85 grams or more, then Zakah must be given on it, at the rate of 2.5%.

So if the gold asked about is 21 karat, for example, then its Zakah may be worked out as follows:

$$(170 \times 21) \div 24 = 148.75.$$

Then you should give 2.5% of this number of grams, which is approximately 3.7 grams. This is the amount of Zakah that must be given at the end of the Hijri year.

For more details, please see this category: On What Is Zakah Due?

And Allah knows best.