

Islam Question & Answer

General Supervisor:
Shaykh Muhammad Saalih al-Munajjid

217207 - Are the lump sum paid upon retirement and pension part of the estate?

the question

My father died and I distributed what he owned in the form of cash, according to Islamic teaching. But there is some of the wealth that is not in our possession, as follows: he had a lump sum that was to be paid out when he died, because he was a retired employee. Should we distribute it when we get it, as that is not possible at present? What will happen if one of the heirs dies before that money is acquired? From the time he died until now, there are also pension payments that have been received. Should that be distributed in accordance with the shares of inheritance? Please note that the state will divide the pension among the heirs in a different manner, for example it will be distributed to his wife and children, but not his mother. He also has some money that was previously deducted from him every month for ten years, like a cooperative savings group, and when the money reached a certain amount it was to be given to my father, but he died before it reached that amount.

Detailed answer

Praise be to Allah.

The lump sum paid upon retirement and the lump sum paid that was paid out when he died should be divided according to the shares of inheritance among all the heirs, in accordance with the rulings of sharee'ah.

If any of the heirs dies before the wealth is distributed, then his share should be distributed among his own heirs.

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With regard to the pension, it is a gift from the government and belongs to the person designated by the government system; it does not have to be distributed among all the heirs.

With regard to the money that was deducted from your father for the cooperative savings group mentioned, it is definitely to be distributed among the heirs according to the rulings of sharee'ah.

And Allah knows best.