

273445 - Is the death benefit or death compensation that is paid out by insurance companies or pension schemes included in the estate?

the question

My grandfather has died – may Allah, may He be exalted, bestow abundant mercy upon him – and the insurance company and pension scheme paid the death benefit for him. My question is: is this benefit regarded as part of the estate which is to be inherited by his heirs, namely his sons? Or is it to be given in its entirety to his wife?

Detailed answer

What we found out about the death benefit or the death compensation – in the country where the questioner lives – is that this benefit is to be given to those whom the deceased nominated whilst he was still alive. If he did not nominate anyone, then the insurance company gives it to his wife [his widow]. If there is no widow, then it is to be given to his minor sons and unmarried daughters; [if there are no children], then it is to be given to his parents, and so on. Concerning the details of that, reference is to be made to the insurance committee.

The amount of this benefit is the salary for the month in which the person died, and the salary for the two following months, for a person who died whilst still working, or an amount equal to his pension for the month in which he died and the two following months, if he was receiving a pension.

If this compensation came because the deceased was an employee, and part of his salary was deducted for insurance, then it is part of the estate, and is to be divided among all the heirs, regardless of the system followed by the insurance department, because in fact it is not a benefit paid by them.

If we assume that this benefit did not come from the accumulation of money deducted from the employee's salary, and was in fact a benefit paid out because of the deceased's employment

service, then it is also the result of his work and efforts, so it is to be included with what he earned during his lifetime, and is inherited from him.

In al-Mawsoo‘ah al-Fiqhiyyah (11/208) it says:

The Shaafa‘is clearly stated that also to be included in the estate is anything that is added to the property of the deceased after his death as a result of something that he did during his lifetime, such as game that fell into a trap that he set up whilst he was alive, because his setting up of the trap to catch the game is the cause of it coming into his possession, or he died and left behind wine that turned into vinegar after his death. End quote.

See also: Asnaa’l-Mataalib (3/3) and Tuhfat al-Muhtaaj (6/382).

If an employee nominates those who are entitled (to receive his death benefit), he must name all his heirs, and must leave instructions to his heirs pointing out that the benefit is for all of the heirs in general, because a new person may become an

See also the answer to question no. [217207](#).

And Allah knows best.