174477 - Should he pay zakah on shares that were given to him by the company and over which he has no control?

the question

I live in UK. My husband works for a company, which provides raw materials to other companies for making soaps, shampoos, cosmetics etc. For 3 years, he buys some company shares every month. The number of shares is doubled by the company for its employees.
Few days ago, when I was browsing your website, I came to know that we've to pay zakah on shares. We didn't know that before.
Now I've some questions:
1. My husband can sell only the shares he bought with his money. The company shares can be sold only after the completion of 5 years (maturity period). Even then only the shares of first month will be mature. More shares will get matured each month. If he sells his shares now, the company shares given with those shares will be taken back from him. So, he doesn't want to sell them now. My question is, Does he still has to give zakah on these shares?
2. Second question is, What is the nisaab of shares?
3. Third, he also has to pay tax and national insurance on these shares when he sells them. Does he have to pay zakah only on profit?
4. If we don't have money now, can we pay it next year?
5. Do we've to pay for all 3 years?
6. The shares are in our joint name but only my husband deals with them, Who has the responsibility to pay zakah?
I'll be really grateful, if you can answer me in detail, I am really concerned about the issue. I don't want any haraam money in my home

Detailed answer

Praise be to Allah.

Firstly:

It is obligatory to pay zakah on shares if the owner intends to sell them and they reached the nisaab (minimum threshold). He should work out their value each year, i.e., find out their market value, and pay one quarter of one tenth (2.5%) of their value.

The nisaab is the equivalent of 595 grams of silver or 85 grams of gold. As silver is of lesser value, the nisaab should be worked out on the basis of silver, so as to give the poor their fair share.

So if a person owns shares the value of which is equal to the value of 595 grams of silver, then he owns the minimum amount.

Secondly:

If a person acquires shares with the intention of benefiting from their dividends and profits, and he does not intend to sell them, then he does not have to pay zakah on the share itself; rather he has to pay zakah on the dividends, if he has taken possession of them and one zakah year has passed; he should pay one quarter of one tenth, or 2.5%, (of the dividend).

Thirdly:

If the person does not have complete ownership of the shares, or he is not allowed to dispose of them, like the shares which the company has given to your husband, then he should pay zakah once when selling them or taking back their value, or when obtaining full possession of them by completing five years of work in that company.

Fourthly:

zakah is obligatory upon the owner; if you have shares then you must pay zakah on them, and you are responsible for that, but the husband may voluntarily pay zakah on behalf of his wife.

Fifthly:

The basic principle is that taxes cannot take the place of zakah; every time one full hijri year

passes, you should work out the value of the shares and pay zakah of one quarter of one tenth.

With regard to the double shares, if your husband will take possession of them after five years and we said that your husband should pay zakah for one year when selling them, then he should pay zakah on what remains of their price after paying taxes and National Insurance, because in fact he does not possess anything other than that.

Sixthly:

If a person owns shares and works out their value at the end of the year, but he does not have cash with which to pay, it is permissible for him to delay zakah until he acquires cash or sells the shares, but he has to keep a record of that and write down what he owes of zakah for the first year, the second year and so on. But it is better to hasten to pay zakah and to be quick in doing good, and to make it easy for oneself, because if the amount of zakah accumulates, he may feel reluctant to pay it.

We ask Allah to bless you and to protect you from all harm.

And Allah knows best.