



In the name of the Allah, The Beneficent, The Merciful

I had a look at the first ethical *zakāt* booklet which was distributed in my local Masjid in Huddersfield. MāshāAllah they are excellent. I pray to Allāh (SWT) He accepts your efforts. I've also visited the Al-Qalam website where I found your email address under contacts. I have one concern which I hope you can address.

In the booklet there was no mention of student loans and the website provides clear information regarding the Islāmic perspective of student loans, but as you probably are aware most UK students take out student loans regardless of what "Scholars" or "Sharī'ah" has to say, this is very unfortunate. However a question that I get bombarded with is do students have to pay *zakāt* on their student loan?

- For instance a person took out tuition fee loan and maintenance loan (not grant) which roughly comes to about £6000.
- From that, let's say £3000 is automatically taken by the university i.e. tuition fee which leaves a person with £3000 to spend.
- From my understanding most students don't use the full amount of the maintenance loan.
- Let's say a person spends £2000 and is left with a remainder of a £1000

Now, here is this question:-

A person who possesses this £1000 (at the time when their zakāt is due) would he or she need to pay zakāt on this money which is left surplus from their maintenance loan?

Please note that student loans (from my understanding) are not repayable until a person leaves university and is on a salary which is paying more than £15000.

I would really appreciate if you could get Mufti Zubair to answer this query as I have heard scholars argue this matter in both directions it would be useful to have something in writing which people could refer to.

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الجواب حامدًا و مطلبًا و منه الصدق و الصواب

Zakāt is always payable by the creditor and not the debtor. As the remaining £1000 of the student loan¹ is a debt² it is not liable to *zakāt*. The advice I have received from the Legal & Compliance Manager and senior solicitor of the Student Loan Company is that the student assumes liability of the loan right at the onset even if repayment of the loan is subject to certain criteria.

And Allāh knows best.

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Chair, Al-Qalam Shariah Panel

¹ For ruling on UK student loans see: <http://www.alqalam.org.uk/UserFiles/File/StudentLoans.pdf>

² For ruling on the liability of *zakāt* on debts see:
<http://www.alqalam.org.uk/UserFiles/File/Zakat%20on%20debts%20-%20Final.pdf>