

ZAKAT ON SAVINGS: A QUALITATIVE CONTENT ANALYSIS OF AWARENESS, RELIGIOSITY, AND COMPLIANCE FACTORS

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ABSTRACT - Zakat on savings is a fundamental aspect of Islamic finance, ensuring the redistribution of wealth and financial responsibility among Muslims. However, compliance with zakat on savings is still low due to limited awareness, varying levels of religiosity, and knowledge gaps. This study examined the existing literature on awareness, religiosity, knowledge, and attitudes related to zakat on savings. The findings of the study show that low awareness, religiosity, knowledge gaps, and attitudes significantly affect zakat compliance, especially in savings. Many Muslims are unaware that zakat disbursement is also mandatory on savings, resulting in low compliance. Strong religious beliefs encourage zakat compliance, but lack of knowledge and misunderstandings hinder compliance towards zakat on savings. Positive attitudes encourage zakat compliance, but institutional efforts are still insufficient. Although zakat on savings is the third largest contributor, it is still underexplored. Increasing awareness, education, and collection strategies are important to increase compliance with zakat on savings.

Keywords: [Zakat; Awareness; Religiosity; Compliance; Wealth distribution]

ABSTRAK – Zakat ke atas simpanan adalah aspek asas kewangan Islam, memastikan pengagihan semula kekayaan dan tanggungjawab kewangan di kalangan umat Islam. Walau bagaimanapun, pematuhan zakat ke atas simpanan masih rendah disebabkan kesedaran yang terhad, tahap keagamaan yang berbeza-beza, dan jurang pengetahuan. Kajian ini mengkaji literatur sedia ada mengenai kesedaran, keagamaan, pengetahuan, dan sikap berkaitan zakat simpanan. Dapatan kajian menunjukkan kesedaran yang rendah, keagamaan, jurang pengetahuan, dan sikap secara signifikan mempengaruhi pematuhan zakat, khususnya dalam simpanan. Ramai umat Islam tidak sedar bahawa pengeluaran zakat juga diwajibkan ke atas simpanan, menyebabkan kepatuhan rendah. Pegangan agama yang kukuh mendorong kepatuhan berzakat, namun kurang pengetahuan dan salah faham menghalang pematuhan terhadap zakat simpanan. Sikap positif menggalakkan pematuhan berzakat, namun usaha institusi masih belum memadai. Walaupun zakat simpanan merupakan penyumbang ketiga terbesar, namun ia masih kurang diterokai. Meningkatkan kesedaran, pendidikan dan strategi pungutan adalah penting untuk meningkatkan pematuhan terhadap zakat simpanan.

Kata kunci: [Zakat; Kesedaran; Keagamaan; Pematuhan; Pengagihan kekayaan]

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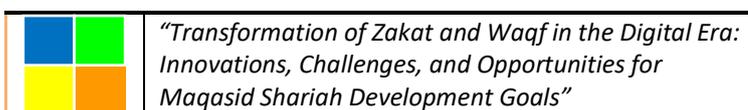


INTRODUCTION

Zakat in Islam is obligatory for Muslims and is a type of worship. Through Zakat, one can purify themselves and their possessions. It is one of the five pillars of Islam. Evidence of the obligation of zakat among them is based on the words of Allah S.W.T. which means; “*And perform prayers and perform zakat; and obey the Messenger; surely you will have mercy*” (An-Nur: 56). The Qur’an frequently places the command to pay zakat after the command to pray. The connection between these two commandments highlights the importance of economic strength, especially zakat, in strengthening Muslim faith (Muhammad et al., 2016).

Equitable wealth distribution via Zakat fosters balanced national economic growth and individual spiritual growth. It also substantially impacts how the nation is administered. The life of Prophet Muhammad (peace be upon him) serves as a comprehensive example of how zakat should be understood and implemented. During his leadership in Medina, he established the framework for an ideal Islamic society, emphasizing economic justice and social welfare through the organized collection and distribution of zakat (Ashfaq Khan, 2025). Sharif and Wahid (2019) highlight zakat’s role in socio-economics, preventing continuous poverty among the asnaf of zakat. While Al-Bawwab (2023) views that zakat is a form of financial management that tries to address the issue of poverty and hardship by holding the wealthy accountable for the asnaf, which has been explicitly declared in the Quran. There are 32 verses of zakat in the Quran and are repeated 82 times using terms that are synonyms of the word zakat, namely the word sadaqah and infaq. The repetition indicates that zakat has a very important position, function and role.

Zakat is to express one’s obedience to Allah, and to aid in the eradication of egotism. Paying of the Zakat reinforces the sincerity of a Muslims beliefs, whilst augmenting their faith and righteousness. Zakat is mandated only after the nisab (a certain extent of wealth) and the haul (a time duration) criteria are fulfilled. Within zakat, the rich support the impoverished Muslims, especially those who qualify for the zakat. Zakat is a Muslim charity payment that can aid in the allocation of wealth, poverty alleviation, and encourage affection and brotherhood in the Muslim community, together with strengthening devotion towards Islamic beliefs. In Islam, mankind has been deemed to be wealth trustees while, in reality, those possessions belong to Allah alone. Through these actions, Muslims strive to fortify their Islamic identity.



LITERATURE REVIEW

Concept of zakat

Zakat, the third pillar in the hierarchy of the five pillars of Islam, is a form of financial worship prescribed after prayer. Derived from the Arabic word "Zakah," it symbolizes purification, growth, and righteousness (El Ashfahany et al., 2023). By providing Zakat, the giver is freed from greed while the recipient is freed from resentment, fostering mutual satisfaction. Zakat involves distributing specific assets at prescribed rates under defined conditions to eligible categories, as per shariah guidelines. While obligatory for Muslims, Malaysian citizens also have a civil duty to pay taxes, complementing Zakat's role. In the Holy Qur'an, Allah (SWT) commands the Muslims in the second year of Hijra which means:

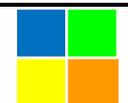
“And establish regular Prayer and give Zakah, and bow down your heads with those who bow down (in prayer).” (Al-Baqarah:43)

Zakat on wealth becomes obligatory when it surpasses the Nisab minimum and has been held for one full Hijri year (Haul). It covers various wealth types, including business earnings, employment income, savings, gold and silver, bonds, crops, agriculture, and natural resources. For zakat on savings, the Nisab is equivalent to the value of 85 grams of gold. A 2.5% levy is imposed annually on the remaining balance when Nisab and Haul conditions are met. This wealth is distributed to eight eligible recipient categories (asnaf) as specified in the Quran.

“Zakah expenditures are only for the poor and for the needy and for those employed to collect [zakah] and for bringing hearts together [for Islam] and for freeing captives [or slaves] and for those in debt and the cause of Allah and the [stranded] traveler – an obligation [imposed] by Allah. And Allah is Knowing and Wise.” (Al-Tawbah: 60)

Yusfiarto et al. (2020) emphasized that it is the responsibility of all Muslims to fully understand zakat, as property owners will ultimately be held accountable for fulfilling this obligation. Furthermore, a payer's awareness significantly influences their understanding of their duties to pay zakat, including zakat al-Fitr and zakat on wealth.

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Awareness

Senawi et al. (2021) define awareness as the quality of being aware of something, which includes the capacity to perceive, experience, or be mindful of sensory patterns, events, or objects. Being aware of zakat fosters an appreciation for how crucial it is to purify wealth according to Islamic law. Allah (S.W.T) says “But if they give up willingly to you anything of it, then take it in satisfaction and ease.” (Al-Quran, An. Nisaa’:4). Previous research on zakat did not focus adequately on the significance of its awareness. Knowledge of zakat increases a person's potential to be aware about the Islamic means of wealth purification.

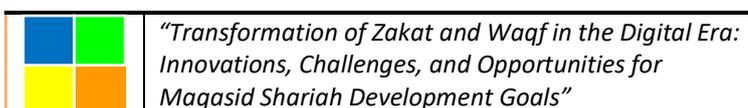
Abashah et al. (2018) said that people tend to pay tax rather than zakat because there is no legal requirement for zakat payment, so they are not aware that it is an obligatory as a Muslim. According to Sharif and Wahid (2019), a lack of enforcement and a low level of awareness among zakat payers contributed to the decline in the percentage of zakat payers on savings in PPZ by 2018. Therefore, to improve understanding and raise awareness of the socioeconomic benefits of Muslims, the Zakat Institutions should act and prepare a thorough action plan (Abashah et al., 2018).

Raising awareness is essential because it helps the public and the next generation understand and appreciate the value of zakat. Knowledge of zakat increases a person's ability to understand Islamic wealth purifying techniques (Nor Jannah & Zainordin, 2020). Meanwhile Senawi et al. (2021) also mentioned that zakat awareness is the understanding of a method to achieve and satisfy the requirements of wealth purification

Religiosity

Naturally, factors that are directly tied to religion will influence the degree of faith. The degree of obedience to religious orders rises with a person's level of faith. The genuineness of the Muslim faith toward his God is comprehended through the zakat practice (Ibrahim, 2015). This is consistent with earlier findings (Fuadah et al., 2013), a Muslim's level of righteousness and piety is raised through paying zakat. The payment of zakat, which is a fundamental Islamic principle, is significantly impacted by this.

For Muslims, Islam serves as a complete religion that offers a way of life based on the Qur'an and hadith. As true believers, the person will abide by the rules



as a means of submitting to Allah, which includes the need to pay zakat. According to Farah Mastura and Zainol (2015), the aspect of religiosity cannot be disregarded from the standpoint of zakat compliance because someone who is more religious than others is more likely to pay zakat. Religiosity was earlier described by Kamil et al. (2012) as the rules that Muslims will abide by when carrying out their everyday tasks and their assessment of the outcomes of satisfying the responsibility to pay zakat. It makes a positive impact on the person's character (Farah Mastura & Zainol, 2015).

Giving zakat raises a Muslim's level of righteousness and piety. A person's attitude toward zakat payment is tied to their perception of how outcomes would affect them personally (Ali et al., 2017). According to Khamis and Kamarudin (2022), there is a significant positive relationship between the religious element and the zakat payment on income in Malaysia. Therefore, the significance of this link should be further explored in this study since it will influence how people behave while paying zakat. Thus, it is hypothesized in this study that religiosity would increase awareness of zakat payments on savings.

Knowledge

The effectiveness of zakat collection and its relationship to the degree of people's understanding of zakat was highlighted by Nur Barizah and Hafiz Majdi (2010), who came to the conclusion, among other things, that the Malaysian zakat system will have a greater impact on boosting the economy of the ummah if zakat education can be adequately promoted among Muslims. The zakat payers must comprehend the rationale for this reconciliation and make every effort to purify the assets they have gained. The degree to which zakat payer has mastered his or her understanding of zakat, both generally and particularly, will have an impact on how strongly motivated zakat payer is to pay zakat (Yusfiarto et al., 2020).

Muslims' decisions on zakat payments are influenced by their level of zakat knowledge. Putriana (2018) stressed that there are many people who lack knowledge of the zakat responsibility, not just villages. Even more educated urban residents frequently know very little about the zakat obligation. For instance, many Muslims are not aware that zakat is due on savings deposited in banks. According to Mohd Ali et al. (2004), people who have had access to



knowledge are far more conscious of the importance of paying zakat income. Since compliance is seen as a fundamental part of Islam, awareness in doing this worship should be encouraged. It has to do with how well-informed people are about zakat.

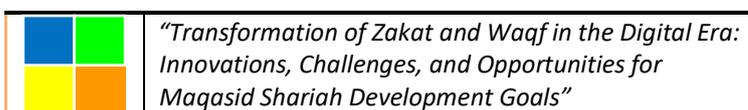
Attitude

One of the significant aspects that has consistently been examined in previous studies in most research models is attitude (Deraman, 2016; Farah Mastura & Zainol, 2015; Khalil et al., 2020; Sareye & Haji-Othman, 2017). Ajzen's theory of planned behavior explains that attitude can be described as an individual's evaluation of behavior (as cited in Farah Mastura & Zainol, 2015). It is the individual's impression of the conduct, not the behavior itself. It will be easier for someone to carry out the desired activity if they have a positive attitude toward doing so. Understanding a person's attitude can help zakat organizations determine how to increase zakat collection in the future; hence, attitude is one of the crucial aspects that should be explored when examining zakat compliance behavior (Farah Mastura & Zainol, 2015).

Attitude has an internal function regarding the faithful response to the quantity of benefits acquired from paying zakat (Yusfiarto et al., 2020). Attitude is a psychological tendency which is shown in the evaluation on certain entities with some degree of favour or disfavour. The more favourable the possibility is, the stronger the intention to do the behaviour will be, and vice versa. According to Sareye and Haji-Othman (2017), attitude is significant motivation towards individual intention while paying Zakat. Based on these empirical findings, the study also suggested the idea that attitudes will be positively correlated with zakat awareness on savings.

METHODOLOGY

This study adopts a qualitative library-based research design utilizing content analysis to explore the factors influencing compliance with zakat on savings. The methodology focuses on analyzing existing literature and textual sources to examine how awareness, religiosity, knowledge, and attitudes affect Muslims' compliance with zakat obligations related to savings. This approach is suitable for uncovering conceptual patterns, identifying research gaps, and interpreting the evolution of ideas within the field of Islamic finance and zakat studies.



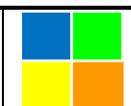
Data for this study are derived entirely from secondary sources, including classical and contemporary Islamic texts such as the Qur'an, Hadith, and fiqh literature, as well as academic journal articles, theses, books, fatwas, and official reports published by zakat institutions such as Lembaga Zakat, JAWHAR, and MAIWP. Scholarly publications were retrieved from reputable databases including Scopus, Google Scholar, JSTOR, and Emerald Insight, using keywords such as "zakat on savings," "zakat compliance," "Muslim religiosity," and "Islamic financial behavior." To maintain relevance and academic rigor, only materials written in English or Malay and published within the last 10 to 15 years were included, with exceptions made for foundational religious texts and key classical sources.

A systematic literature review was conducted to gather and organize relevant materials. Each source was catalogued and reviewed based on its objectives, methodology, and key findings. The data were then analyzed through qualitative content analysis, involving thematic coding to identify recurring patterns and ideas across the collected texts. Themes were organized into broader categories such as low awareness, knowledge gaps, religious commitment, attitudes toward zakat institutions, and institutional limitations. This process allowed for a deeper understanding of the relationship between individual factors and compliance behavior, while also highlighting areas where institutional efforts may be lacking.

To ensure validity and trustworthiness, the study employed triangulation by drawing from a wide range of scholarly, institutional, and religious sources. Each source was critically evaluated for credibility, authority, and relevance. The researcher also maintained a reflexive stance to minimize personal bias during the interpretation of findings. As this study is based on publicly available documents and secondary sources, there are no direct ethical concerns related to human subjects. Nevertheless, all sources are cited appropriately, and interpretations are made with due sensitivity to Islamic scholarship and cultural values.

RESULT AND DISCUSSION

In Malaysia, the payment of zakat is not compulsory as compared to tax. Muslim perform zakat voluntarily as they aware of their obligation as Muslim. Some Muslims are either unaware of or are still unclear about the subject of the



requirement to pay zakat, even though it is expressly stated in the Holy Qur'an and other sources (Khamis & Kamarudin, 2022). Like paying zakat al-Fitr, paying zakat on wealth is compulsory. Institutions that deal with zakat have the responsibility of gathering zakat from Muslims and giving it to the relevant asnaf.

Even though Allah S.W.T. expressly commands the payment of zakat, including zakat on wealth and al-Fitr, the issue of paying zakat, particularly zakat on wealth, is still low. This is probably because many Muslims are still unaware that it is also obligated to pay zakat on wealth. Therefore, it is important to provide Muslims with comprehensive explanations on the topic of zakat, so they are aware that it is also required to pay zakat on wealth, which is further divided into many types, in addition to the zakat al-Fitr. Zakat on wealth is imposed on growth assets like gold and silver, crops, minerals, as well as money like savings, salary income, shares, and so forth after satisfying the requirements.

Previous research has mainly concentrated on zakat on income (Khalil et al., 2020; Muhammad et al., 2016), while relatively few have highlighted zakat on savings. Most zakat collection centers in Malaysia receive money through zakat on savings, which is their third largest source of income. Sharif and Wahid (2019) found that the amount of zakat collected through savings is one of the three major contributors to the overall zakat collection by PPZ, according to the annual zakat report by the PPZ. Nevertheless, although the amount of zakat on savings is ranked third after income zakat and business zakat, there is a considerable gap between zakat on savings and business and income zakat. This means that the campaign to pay zakat on savings has not yet been able to raise awareness of the importance of paying zakat on savings (Farah Mastura & Zainol, 2015).

Zakat on savings collection generally shows a positive trend in Malaysia. Although the rise in collecting is excellent, the goal of wealth purification is more crucial. To sustain the current level of zakat compliance and attract new zakat payers, this problem needs to be fixed. Therefore, the purpose of this study is to look at the factors that influence zakat awareness, particularly in the context of zakat on savings.

CONCLUSIONS

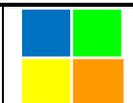
Zakat plays a vital role in the Islamic financial system, serving as both an economic and spiritual obligation that fosters wealth distribution, reduces poverty, and strengthens Muslim faith. Despite its religious significance, zakat compliance, particularly regarding zakat on savings remains a challenge, largely due to low awareness, varying levels of religiosity, and knowledge gaps among Muslims.

Awareness of zakat and its role in wealth purification is essential for encouraging compliance, yet a lack of legal enforcement has led to zakat being overlooked in favor of taxes. Religiosity is a significant determinant of zakat compliance, as individuals with strong religious commitments are more likely to fulfill this obligation. Knowledge of zakat regulations directly impacts compliance, with many Muslims unaware that zakat applies to various financial assets, including savings. Attitude also plays a crucial role, as individuals with a positive perception of zakat's benefits are more inclined to fulfill their obligations.

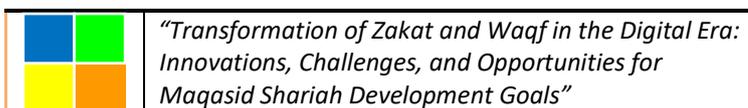
Despite existing studies on zakat, research on zakat on savings remains limited. While it is the third-largest contributor to zakat collection, it significantly lags behind income and business zakat, indicating a need for enhanced educational campaigns and institutional efforts. Addressing these research gaps is crucial for improving zakat compliance, ensuring effective wealth redistribution, and strengthening the socio-economic welfare of Muslim communities. Future studies should further explore strategies to enhance zakat awareness, optimize collection mechanisms, and encourage greater participation in zakat on savings.

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