

HADDUL KIFAYAH: ITS COMPREHENSIVENESS, SUFFICIENCY AND CURRENCY IN MEETING THE NEEDS OF THE ASNAF FAQR AND ASNAF MISKIN

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Abstrak

Haddul kifayah refers to the income of an individual or household, used by zakat authorities, in determining whether an individual or household are eligible to be categorized as *asnaf faqr* or *asnaf miskin*. Consequently, if they fit into any one of the said *asnaf*, they would be eligible to be given financial assistance via the *zakat* fund. This paper reports a desk study and interviews with representatives of the relevant *zakat* authorities in examining the *haddul kifayah* in terms of its legitimacy in accordance to the *shari'ah*, the method used in determining the level of income, factors and components included therein and the currency of the resulting amount. In addition, by contrasting the *haddul kifayah* with the official Poverty Line Income (*Pendapatan Garis kemiskinan*) and its factors and components thereto the study attempts to establish whether the approach adopted in determining the *haddul kifayah* is considered appropriate, comprehensive and sufficient vis-à-vis the current cost of living. In the course of the study, key issues related to the *haddul kifayah* were identified and highlighted in this paper. The paper concludes with recommendation on how the approach in determining the *haddul kifayah* could be further improved especially in the lights of newer and future challenges facing the Muslim *ummah*.

Keywords: economy, cost of living, *haddul kifayah*, poverty, zakat

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1.0 INTRODUCTION

Zakat is an obligation on *Muslims* as prescribed by Allah s.w.t.:

“... Therefore, attend to your prayers and pay the alms-tax (*zakat*) and hold fast to Allah...”

(*Al-Qur'an* 22:78)

In Malaysia, *Zakat* is administered by the respective State Islamic Religious Councils (*Majlis Agama Islam Negeri-negeri* or MAINS). However, for the purpose of coordinating and increasing efficiency of the activities in all States, the Federal Government has established the *Jabatan Wakaf, Zakat dan Haji* (JAWHAR) or the Department of *Awqaf, Zakat and Hajj* with the objectives of improving the management of Muslim wealth in the forms of *awqaf, zakat, mal* and *hajj* (JAWHAR, 2015).

Among others, JAWHAR has published a manual on the management of the distribution of *zakat* fund as guidelines for reference by the *zakat* authority at state level (refer *Manual Pengurusan Agihan Zakat*, 2009). *Zakat* are to be paid to eight categories of *asnaf* (recipient) as prescribed in *Al-Qur'an*.

The alms are surely only for the poor and the needy, and for those employed to administer alms, and for those whose heart have been recently reconciled to the faith, and for captives and those burdened with debts, and (to be spent) for the cause of Allah, and for the wayfarers (stranded on the way). (Such ordinance is) a duty enjoined by Allah. And Allah is All-Knowing, All-Wise.

(*Al-Qur'an* 9:60)

This paper focuses on the *asnaf faqr* and *asnaf miskin*. The disbursement of *zakat* collection to eligible *asnaf faqr* and *asnaf miskin* is based on calculation of *Haddul Kifayah* as allocated by respective states in Malaysia. It is acknowledged that different states have different style of administration and this paper focusses on Selangor.

Running parallel to *haddul kifayah*, authorities such as the Economic Planning Unit (EPU) and Selangor Government have established an approach that appears to be similar, known as the Poverty Line Income (PLI)⁸¹. However, there appears to be lack of studies conducted to examine the abovementioned approaches, especially in terms of its legitimacy in accordance to *shari'ah*, the method used in determining the level of income, factors and components included therein and the currency and sufficiency of the resulting amount.

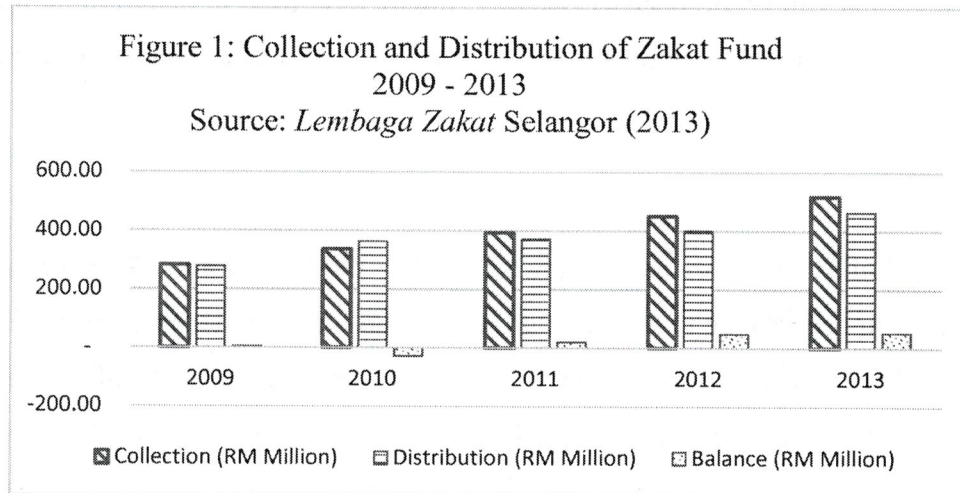
This paper aims to report on a study examining the *haddul kifayah* in terms of its legitimacy in accordance to the *shari'ah*, the method used in determining the level of income, factors and components included therein and the currency of the resulting amount. By contrasting the *haddul kifayah* with the conventional Poverty Line Income (PLI) and its factors and components thereto the study attempts to establish whether the approach adopted in determining the *haddul kifayah* is considered appropriate, comprehensive and sufficient vis-à-vis the current cost of living. In the course of the study, key issues related to the *haddul kifayah* were identified and highlighted in this paper. The methodology used includes desk research, content analysis and interviews with representatives of the relevant *zakat* authorities (JAWHAR and LZS).

The paper is structured into 6 parts: After the Introduction, Part 2 discusses *zakat* and *haddul kifayah*, its concept, elements for consideration and schedule of calculations. Part 3, thereafter, deliberates on the conventional poverty line income as outlined by the EPU and Selangor Government. Subsequently, Part 4 describes the methodology of the study and Part 5 serves as data analysis and discusses the findings. Lastly, part 6, concludes the paper with recommendations for improvement.

⁸¹ In Bahasa Malaysia, it refers to *Pendapatan Garis Kemiskinan* (PGK)

1.1 Zakat in Selangor

In Selangor, *zakat* is administered by *Lembaga Zakat Selangor* (LZS), a center under the *Majlis Agama Islam Selangor* (MAIS). For the purpose of the study, the practices by the LZS is used and the paper focuses on *haddul kifayah* as detailed by the center.



Year	Collection (RM Million)	Distribution (RM Million)	Balance (RM Million)
2009	283.80	279.2	4.60
2010	336.7	364.9	- 28.20
2011	394.1	373.5	20.60
2012	451.3	401.7	49.60
2013	517.3	463.5	53.80

Table 1: Collection and Distribution of Zakat Fund 2009 - 2013

Source: *Lembaga Zakat Selangor* (2013)

No.	Asnaf	Distribution (RM Million)	
		2013	2012
1	<i>Faqr</i>	53.4	44.3
2	<i>Miskin</i>	121.7	94.9
3	<i>Muallaf</i>	38.8	23.1
4	<i>Amil</i>	64.7	56.4

5	<i>Fisabilillah</i>	123.7	140.4
6	<i>Garimin</i>	46.1	33.7
7	<i>Ibnu Sabil</i>	1.9	1.9
8	<i>Riqab</i>	13.2	6.9
	Total	463.5	401.7

Table 2: Distribution of *Zakat* Fund According to *Asnaf* in 2013 & 2012

Source: *Lembaga Zakat Selangor* (2013)

Figure 1 and Table 1 indicate the performance of LZS through data on collection and distribution of *zakat* fund in year 2009 – 2013. From the amount collected, the fund was distributed to eligible *asnaf*. However, there appears to be balance of fund every year except for 2010. Meanwhile, Table 2 illustrates the distribution of *Zakat* Fund to the different types of *asnaf* in 2012 and 2013 with *asnaf faqr* receiving RM53.4 million and RM 44.3 million in 2013 and 2012, respectively; and *asnaf miskin* receiving RM121.7 million and RM94.9 million in 2013 and 2012, respectively.

2.0 HADDUL KIFAYAH

Haddul kifayah refers to the income of an individual or household, used by zakat authorities, in determining whether an individual or household are eligible to be categorized as *asnaf faqr* or *asnaf miskin*. Consequently, if they fit into any one of the said *asnaf*, they would be eligible to be given financial assistance via the *zakat* fund.

LZS (2015) defined *haddul kifayah* as minimum sufficiency line for basic needs of an individual and his dependants based on the current cost of living⁸².

Narrated by Abu Huraira

"The poor person is not the one who goes around the people and ask them for a mouthful or two (of meals) or a date or two, but the poor is that who has not enough

⁸² The definition is originally in Bahasa Malaysia and translated by the authors. Basic needs are the items and services one requires to facilitate one's life and without which will cause him difficulties to carry on.

[money] to satisfy his needs and whose condition is not known to others, that others may give him something in charity, and who he does not beg of people."

Hadith Shahih Bukhari: 2/24 no: 557 and Shahih Muslim: 005/32 no: 2261

Qabisa ibn Mukhariq al-Hilali said: "I was under debt and I came to the Messenger of Allah (may peace be upon him) and begged from him regarding it. He said: Wait till we receive Sadaqa, so that we order that to be given to you. He again said: Qabisah, begging is not permissible but for one of the three (classes) or persons: one who has incurred debt, for him begging is permissible till he pays that off, after which he must stop it; a man whose property has been destroyed by a calamity which has smitten him, for him begging is permissible till he gets what will support life, or will provide him reasonable subsistence; and a person who has been smitten by poverty. The genuineness of which is confirmed by three intelligent members of this peoples for him begging is permissible till he gets what will support him, or will provide him subsistence. Qabisa, besides these three (every other reason) for begging is forbidden, and one who engages in such consumes that what is forbidden.

Shahih Muslim: 005/34 no: 2271

'Umar reported: "If you happen to give (alms), you should give to satisfy one's needs."

Fiqh-us-sunnah 3.60⁸³

The above *Al-Hadiths* and the practice of *sahabah* (as reported in the *Fiqh-us-sunnah*) are references on matters related to *Shari'ah* legitimacy on *haddul kifayah*. It can be inferred that the amount required to cover basic needs differs from an individual or a household to another and that there is no specific amount for every *asnaf faqr* or *miskin*.

Wan Mohd. *et. al* (2013) as cited in Ahmad and Muhammad (2014) reiterated that *haddul kifayah* is calculated based on various variables such as the number of members in a household, age group of members, etc.

⁸³ Further reading at <http://www.muslimaccess.com/sunnah/fiqh/3c.htm>

From the context of *haddul kifayah* (LZS, 2013 and JAWHAR, 2009), *asnaf faqr* and *miskin* are defined as follows:

- *Faqr* is a person who own or do not own any asset or sufficient income to cover his/her daily needs (meal, clothing, accommodation, etc.), able to fulfil less than 50% of his and his dependant's actual daily needs or the amount of *haddul kifayah*.
- *Miskin* is a person who has asset or income to support himself and his dependants, able to fulfil more than 50% of daily needs but less than the amount of *haddul kifayah*.

To put it into perspective, *faqr* are those at less than 50% level, *miskin* at more than 50% and *haddul kifayah* at 100%.

Components of *Haddul Kifayah*

LZS (2015) has listed the components of basic needs taken into consideration in the calculation of *haddul kifayah*. Coincidentally, the list is similar to the list prepared by JAWHAR (2009). Details of the components are as follows:

No.	Components ⁸⁴	Description ⁸⁵
1	Shelter/Accommodation	Covering the costs for providing the accommodation for the household including house rent, utility bills and other basic requirements for a living.
2	Food	Any foods or drinks consumed by the household
3	Clothing	Any types of clothing worn by the household, such as daily clothing, school uniforms, work attire, etc.
4	Medical	All forms of medical and equipment taken by the household, i.e; treatment, pills and medications

⁸⁴ Source: *Lembaga Zakat Selangor* (2015) and JAWHAR (2009)

⁸⁵ Source: JAWHAR (2009)

		procured from pharmacies, etc.
5	Education	All relevant expenditure for education, i.e; school/college/university fees, books, etc.
6	Transportation	Expenditures on transportation including fuel, monthly instalment of the vehicle, bus and/or taxi fare, and etc.

Table 3: Components of basic needs for *haddul kifayah*

Source: *Lembaga Zakat Selangor* (2015) and *JAWHAR* (2009)

Due to the absence of detail description on the components by LZS, the description of the components are derived from *JAWHAR* (2009).

No.	Household Category	<i>Haddul Kifayah</i> (RM)/person	
1	Head of Household <ul style="list-style-type: none"> Husband/Wife or single parent, or individual responsible to support his/her family, or wife whose husband is unable to earn a living (due to health problem or disable), or wife without support (<i>nafkah</i>) from husband 	Paying rental or home loan	Free housing
		895	570
2	Spouse <ul style="list-style-type: none"> Wife/husband if being supported by the head household, employed/unemployed 		
a)	Employed	415	
b)	Unemployed	190	
3	Adult Son/Daughter/Dependant (18 years and above) <ul style="list-style-type: none"> staying with family, or parents supported by head household 		
a)	Employed	415	

b)	Unemployed	190
4	Studying at IHL • Up to Bachelor Degree only	235
5	Studying at School (6-17 years old) • High school, or primary school, or kindergarten	185
6	5 years and below	120
	Additional (if applicable)	
7	Disable child	200
8	Medical cost for critical illness	200
9	Cost of child care	190

Table 4: Categories of members in a household and the schedule of monthly rate calculation for *Haddul Kifayah*

Source: *Lembaga Zakat Selangor* (2015)

Table 4 above presents the different categories of members in a household and the schedule of monthly rate calculation for *Haddul Kifayah* as determined by LZS. For the head household, different calculation applies, subjected to the type of housing, either paying house rental/servicing housing loan (RM895) or free housing (RM570). However, there is no similar segregation for other members in the same household.

In addition, interview with the representative from LZS (2015) suggested that the rate for each category was determined based on surveys on costs of living conducted by LZS, the current rate is basing from the latest survey in 2013. LZS is currently conducting new surveys to update and makes it current to represent the actual costs of living.

Conversely, JAWHAR (2009) considers the different locality in its calculation; urban, suburban and rural. The categories of members in a household and the amount used

for each member are also not the same. Most of the amounts used are lower than that of LZS. Furthermore, the amount is based on the cost of living survey conducted in 2009.

3.0 POVERTY LINE INCOME (PLI)

Online Dictionary (2015) defines poverty line as a minimum income level used as an official standard for determining the proportion of a population living in poverty. EPU (2015a) refers PLI (Poverty Line Income) as the income level that is only enough to buy basic needs of food to ensure sufficient nutrition requirements for a household and other basic needs such as clothing and shoes, house rental, utilities, transportation, communication, medical and education. PLI is revised annually based on the Consumer Price Index⁸⁶. PLI is calculated based on data from the Household Income Survey (HIS)⁸⁷.

PLI is divided into 2 categories (EPU, 2015a); food and non-food. Components for PLI food is based in the expert opinions from nutritionists, dieticians and physicians. Daily calorie needs by an individual take into accounts balanced diet inclusive of cereals and cereal products (rice and flour); chicken, eggs and fish; milk; fat; sugar; vegetables and fruits; and nuts. Whereas the PLI non-food is clothing, housing, transportation and other expenditures calculated based on HIS.

⁸⁶ The Consumer Price Index (CPI) measures the percentage change through time in the cost of purchasing a constant basket of goods and services representing the average pattern of purchases made by a particular population group in a specified time period. CPI is calculated based on the international standard and procedures; known as the Laspeyres formula (Department of Statistics, Malaysia, 2015).

⁸⁷ The Household Income Survey (HIS) is one of the surveys carried out by the Departments of Statistics, Malaysia. This survey is carried out twice in every five years, that is, two surveys within each Malaysia Development Plan period. The main objectives of the HIS are to measure the economic well-being of the population; collect information on income distribution pattern of household classified by various socio-economic characteristics and provide the base data for the calculation of the Poverty Line Income (PLI). Household income and poverty statistics are used for policy formulation and development planning particularly for the poverty eradication programmes and strategies for distribution of income. Refer: <http://www.epu.gov.my/en/household-income-poverty>

Using the PLI, the incidence of poverty is directly estimated by observing the number of households whose incomes are below the PLI. In terms of hardcore poverty, defined as those households receiving less than half of the poverty line income.

EPU (2015b)

The above definitions of poverty and hard core poverty by EPU appear to be similar to the definition of *miskin* and *faqr* by LZS. However, different rates applied in their calculations.

Table 5 highlights the PLI for poverty and hard core poverty outlined by the Economic Planning Unit, Prime Minister's Department.

REGION	PLI 2012 (MONTHLY RM)	
	POVERTY	HARD CORE POVERTY
	Household	Household
Peninsular Malaysia	830	520
Urban	840	520
Rural	790	530
Sabah & Labuan	1,090	660
Urban	1,080	630
Rural	1,120	710
Sarawak	920	600
Urban	960	630
Rural	870	570

Table 5: PLI for the poverty and hard core poverty (2012)

Source: Economic Planning Unit, Prime Minister's Department (2015c)

In contrast, Selangor government has decided that the PLI for the state is at **RM1,500.00** (Adam, 2014). The rate by Selangor is higher than the rate established by EPU as listed in Table 3. This is due to the fact that Selangor is a developed state,

hence presenting higher costs of living. Consequently, the Selangor government announced that the rate established by EPU is unrealistic and not suitable for the state (Adam, 2014).

4.0 METHODOLOGY

The methodology adopted for the study started with in-depth reviews of past literatures on *zakat*, in particular *haddul kifayah*, and poverty line income. It was followed by content analysis of reports and relevant documents and interviews with experts from JAWHAR and LZS. Consequently, detail analysis were carried out as follows:

The calculations of *haddul kifayah* were prepared by analysing three different hypothetical cases. Besides a case that reflects PLI, two dummies to reflect extreme cases were also being constructed. Table 6 shows the three different hypothetical cases indicating the category and number of members in each household:

Case A – Assuming that a family of 6 members consists of the head of household, a working spouse with a working adult son, a child at Institution of Higher Learning, two children ages 15 and 5 years old and living in a rented house.

Case B – This is a case that reflect the PLI. An example of a family of 5 members, consists of the head of household, a working spouse with a child at Institution of Higher Learning and two children ages 15 and 5 years old, and living in a rented house.

Case C – An example of a family of 3 members, consists of the head of household, a non-working spouse with a 5 years old child and living in a free house.

No.	Household Category	Case A (RM)	Case B (RM)	Case C (RM)
1	Head of Family	1	1	1
2	Spouse	1	1	1
3	Adult Son/Daughter/Dependant (18 years and above)	1	-	-
4	Studying at IHL	1	1	-
5	Studying at School (6-17 years old)	1	1	-
6	5 years and below	1	1	1
	Additional			
7	Cost of child care (any of the child)	1	1	1
	TOTAL	6 persons	5 persons	3 persons

Table 6: The three hypothetical cases

The results from the above analysis will be used to investigate the sufficiency of *haddul kifayah*., by contrasting it with PLI.

In addition, to examine the comprehensiveness of *haddul kifayah* and PLI, comparison was done between the components for the calculations of *haddul kifayah* and PLI. Table 7 presents the different components taken into consideration for the different approaches.

No.	Components	EPU	<i>Haddul Kifayah</i>	Selangor
1	Accommodation	√	√	
2	Food	√	√	
3	Clothing	√	√	
4	Medical	√	√	
5	Education	√	√	

6	Transport	√	√	Details are not available.
7	Utilities (Communication, electrical, etc.)	√	√ Included in the calculation for accommodation	
8	Disable child	Not available	√	
9	Medical cost for critical illness	Not available	√	
10	Cost of child care	Not available	√	

Table 7: Comparison of components for calculation of *haddul kifayah* and PLI

Table 8 is devoted towards assessing the currency of amount of *haddul kifayah* and PLI. We refer to CPI to measure the rate of inflation.

Year	CPI % Growth
2012	1.6
2013	2.1
2014	3.4
2015 ⁸⁸	0.9

Table 8: Consumer Price Index percentage growth, year on year 2012 - 2015

Source: Malaysian Economic Report 2014/2015, Ministry of Finance, Malaysia (2014)

5.0 RESULTS AND DISCUSSION

Table 9 below represents three hypothetical cases on the calculation of *haddul kifayah*. The figures are based on the calculation of *haddul kifayah* by LZS.

⁸⁸ Estimate

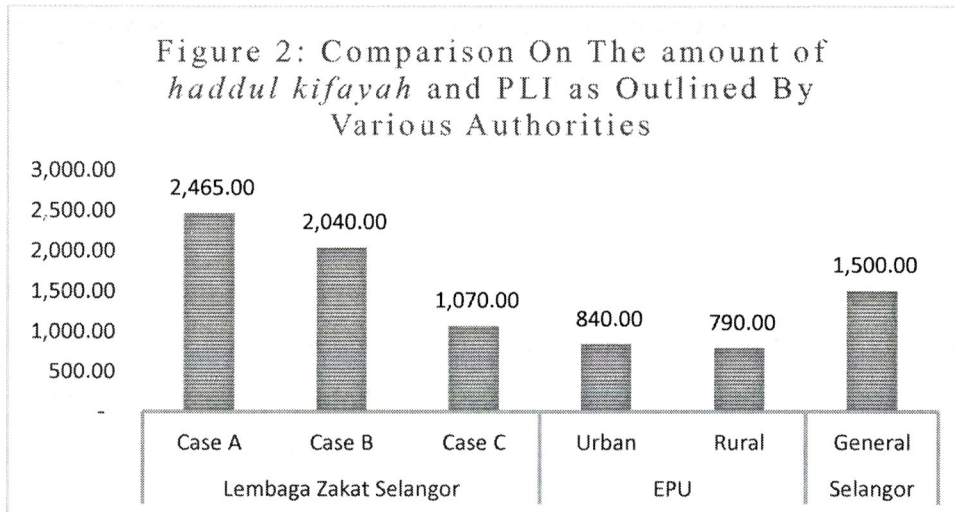
Basic calculation to determine whether they are eligible recipients or otherwise is based on their *haddul kifayah* of RM2,465.00, RM2,040.00 and RM1,070.00 for Case A, Case B and Case C, respectively.

Given the hypothetical cases in Table 9, in the event that the household income, respectively, is below the calculated amount of *haddul kifayah*, the family is eligible to apply for *zakat* fund. However, if the household income is more than *haddul kifayah*, they will be considered to be ineligible (neither *faqr* nor *miskin*). Taking Case B as an example, if the household income is RM2,300.00 (more than *haddul kifayah*), they are not eligible as *asnaf faqr* or *miskin*. However, if their household income is RM1,900.00 (less than *haddul kifayah*), they are categorized as *asnaf miskin* and eligible for *zakat* fund from LZS.

No.	Household Category	Case A (RM)	Case B (RM)	Case C (RM)
1	Head of Family	895	895	570
2	Spouse	415	415	190
3	Adult Son/Daughter/Dependant (18 years and above)	425	-	-
4	Studying at IHL	235	235	-
5	Studying at School (6-17 years old)	185	185	-
6	5 years and below	120	120	120
7	Cost of child care	190	190	190
	TOTAL (<i>Haddul Kifayah</i>)	2,465	2,040	1,070

Table 9: Calculations of *haddul kifayah* based on hypothetical cases of maximum, medium and minimum eligibility⁸⁹.

⁸⁹Refer *Haddul Kifayah* calculator by LZS at <http://www.zakatselangor.com.my/info-agihan/had-kifayah/kalkulator-had-kifayah/>



PLI for Selangor is RM1,500.00 whereas EPU is at RM840 (peninsular - urban) as indicated in Figure 2, but both are using relative absolute or static approach. The *haddul kifayah*, on the other hand, is more flexible in its relative approach. The calculation by LZS is more comprehensive since the different categories of household is being considered and that different individual or household has differing level of *haddul kifayah*.

In addition, if *haddul kifayah* for Case A and Case B, are compared with PLI for Selangor, the result indicates that RM1,500.00 is insufficient for the said households to have a decent living given the estimated basic needs is more than the PLI. Similar predicament with the household in Case C, if comparison is made with PLI from EPU (RM840.00) is used.

Corresponding to PLI, results suggest that when Case B is compared with PLI rates for EPU (peninsular -urban) and Selangor, it is apparent that the PLI rates are lower, signifying that it is insufficient for the household to sustain a decent living. In this circumstances, it appears that the method used by LZS through its *haddul kifayah* calculation is most comprehensive to represent cost of living in determining level of poverty.

From the perspective of comprehensiveness, due to unavailability of detail components for Selangor, detail comparison is done between *haddul kifayah* and PLI by EPU. The components used by LZS and EPU in their calculations of *haddul kifayah* and PLI, respectively appears to be quite comprehensive although there seems to be some differences. Table 6 shows that there are 10 components used by LZS to calculate the rate for *haddul kifayah* while there only 7 components used by EPU. Moreover, in the segregation of basic needs between *faqr* and *miskin*. LZS does not differentiate the basic needs of the two, meanwhile, EPU seems to emphasize more on the needs for food for the hard core poverty.

On the plus side, *haddul kifayah* also include disable child, medical cost for critical illness and child care as additional (if applicable) components in the calculation. Hence, signifying that *haddul kifayah* is a better approach in the sense it is more comprehensive in the considerations of components as basis for the calculations. Nonetheless, in addition to the components described before, other elements that could influence the costs of living of an individual or a household in order to survive in the current economy such as the newly introduced Government Service Tax (GST), is yet to be factored therein.

In regards to the currency of data used, Table 9 indicates the year on year percentage growth of CPI (the index represents constant increments in the costs of living due to inflation). It clearly shows that inflation is inevitable and an important factor prompting annual increment in the cost of living, consequently denoting that the rates used by LZS, EPU and Selangor is neither up to date nor representing the current cost of living.

5.1 Key issues related to the *haddul kifayah*

a) Government Service Tax (GST)

The newly introduced GST is implemented starting 1st April 2014. The tax is imposed on selected goods and services and in general has effects on the current cost of living. Although it can be argued that the tax is affecting consumers as a whole, some basic needs such as common fresh food (fish, poultry, vegetables, etc.) and utility (such as electricity⁹⁰) are not subjected to GST. Nevertheless, there could be other basic needs (clothing, processed food, etc.) or services that are subjected to GST. Therefore, suffice to say that at this point, whether GST is applicable in the context of *haddul kifayah* or otherwise and the extent of its effects (if applicable) is not known. Thus, a thorough study is required.

b) The gender of head of household

The different needs among household head gender are not appropriately addressed and sufficiently segregated in the calculation of *haddul kifayah*. Male and female head household contributes to different household income. Generally, female household (such as female as single parent) in the low income category generates lower income than that of their male counterparts. They are also having less time to spend on income generating activities, having to also take care of the domestic and daily chores and the needs of their dependants. Conversely, male head household can spend more time at work and leave the domestic and daily chores to their wife.

⁹⁰ Refer <http://www.tnb.com.my/>. For supplies of electricity to:

1. Domestic customers in Malaysia: The first 300 kWh of electricity supply for a minimum period of 28 days per billing cycle will be subject to GST at the rate of 0%. The subsequent supply (above 300 kWh) will be subject to GST at 6%.
2. Non-domestic customers in Malaysia: GST will be charged on the supply of electricity at the rate of 6%.

c) Inflation

Year	CPI % Growth	EPU (RM)	<i>Haddul Kifayah</i> (RM)	Selangor (RM)
2012	1.6	840.00	N.A	N.A
2013	2.1	857.64	2,040.00	1,500.00
2014	3.4	886.80	2,109.36	1,551.00
2015	0.9	894.78	2,128.34	1,564.96

Table 10: Calculation to estimate the actual current amount of *haddul kifayah* and PLI

Table 10 shows the calculation to estimate the actual current amount as opposed to available data on *haddul kifayah* and PLI. Given the data, it is obvious that the current rates used by LZS, EPU and Selangor (basing on data in 2013, 2012 and 2014, respectively) are outdated and do not represent the actual and current costs of living. Consequently, the estimated cost for *haddul kifayah* (Case B), PLI for EPU and Selangor should be revised to RM2,128.34, RM894.78 and RM1,564.96, respectively.

d) Locality

In term of locality (based on available and accessible information), it is found that LZS does not seem to cater this important factor, i.e; location (urban, suburban and rural). In this aspect, Ahmad *et. al.* (2013) and Ahmad & Muhammad (2014) reiterated the weaknesses in *zakat* fund distribution. According to them, *zakat* management does not take into account the difference between rural and urban areas. The costs of living in the urban and rural areas are different, those living in the urban areas are facing higher costs of living as compared to those in the rural areas. The current trend is that most people living in the urban areas are either paying higher rent or having to service housing loan instalments whereas people at rural areas are mostly living in free housing (own or inherited).

6.0 CONCLUSION AND RECOMMENDATIONS

Haddul kifayah and PLI are established for similar reason, to determine the minimum level of household income in identifying level of poverty. It is meant to facilitate the respective authorities to assist the *faqr* and *miskin*, poverty and hard core poverty in sustaining a decent living. Different authorities, LZS, EPU and Selangor have their own methods in calculating and determining the poverty lines. This paper describes the *shari'ah*, legitimacy of *haddul kifayah* by referring to relevant *Hadiths* and the practice of *sahabah*.

In terms of comprehensiveness of the approaches, the results conferred that *haddul kifayah* is more comprehensive as compared to PLI. Yet, the current methods used do not seem to ensure sufficiency and currency in meeting the needs of the targeted *asnaf/need*y. This paper also highlights issues arising from the current practices. In our attempt to address the issues, we henceforth offer some insights as recommendations for improvement especially in the lights of newer and future challenges facing the *Muslim ummah*:

- 1) In efforts to ensure a more comprehensive method of calculation to determine poverty line income or *haddul kifayah*, a robust system should be put in place. In this respect, it is acknowledged that LZS has already invested in computable system (*haddul kifayah* calculator) to facilitate and expedite the process of determining the eligibility of applicants for *zakat* fund. It is however recommended that the system to be improved to include the components such as location and different weightage for female head household, etc.
- 2) On the sufficiency of the rate used and currency of the data, a more robust system to be introduced by enhancing the current system. Factors such as inflation and an allocation for contingencies would help to warrant an updated system without implicating so much time and resources along the way.

The study is not without limitations, particularly on the methodology adopted. Further and in-depth study is required and on-going.

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