

Death & Islamic Wills

(Leave a Lasting Legacy)

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In association with



Background & Expertise

- ❖ Teacher (part-time) As Suffa
- ❖ Graduate As-Suffa Alimiyya Programme (2006-16)
- ❖ Director – I Will Solicitors
- ❖ Specialists - Tax efficient Islamic Wills, Waqf, Probate,
- ❖ Trusts & IHT Planning

Background & Expertise

- ❖ Regulated Solicitors
- ❖ STEP qualified
- ❖ Islamic training & advice
- ❖ Over a decades' experience
- ❖ Role – combination of training

8 reasons why everyone needs an Islamic Will

Why have a Will

1. Shariah Compliance
2. Tax Efficiency
3. Guardians
4. Executors & Trustees

Why have a Will

5. Asset Protection
6. Funeral Wishes
7. Nasihah
8. Charity

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Will v Wasiyyah

Will

Any
distribution

Wasiyyah

- ◈ One-third choice
- ◈ Two-thirds fixed



“It is the *duty* of every Muslim who has anything to bequeath not to let *two nights* pass without writing a Will about it.”

Bukhari

"A man may do *good deeds for seventy years* but if he acts unjustly when he leaves his last testament, the wickedness of his deed will be sealed upon him, and he will *enter the Fire*. If, (on the other hand), a man *acts wickedly for seventy years* but is just in his last will and testament, the goodness of his deed will be sealed upon him, and he will *enter the Garden*."

Ahmad & ibn Majah

“[Muslim law of inheritance] comprises beyond question the most refined and elaborate system of rules for the devolution of property that is known to the civilised world.”

Professor Almaric Rumsey – Lecturer King’s College, London 1825-1899

“In these provisions we find ample attention paid to the interests of all those whom nature places in the first rank of our affections; and indeed it is *difficult to conceive* any system containing rules *more strictly just and equitable.*”

Sir William Hay MacNaghten – Senior Civil Servant British Raj

Prescribed Shares

- ❖ Ownership upto deathbed
- ❖ Closest Relatives
- ❖ Surah An-Nisa (11,12 & 176)
- ❖ Charity

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Tax Efficiency

Single

£325,000

+ £150,000



Married Couple

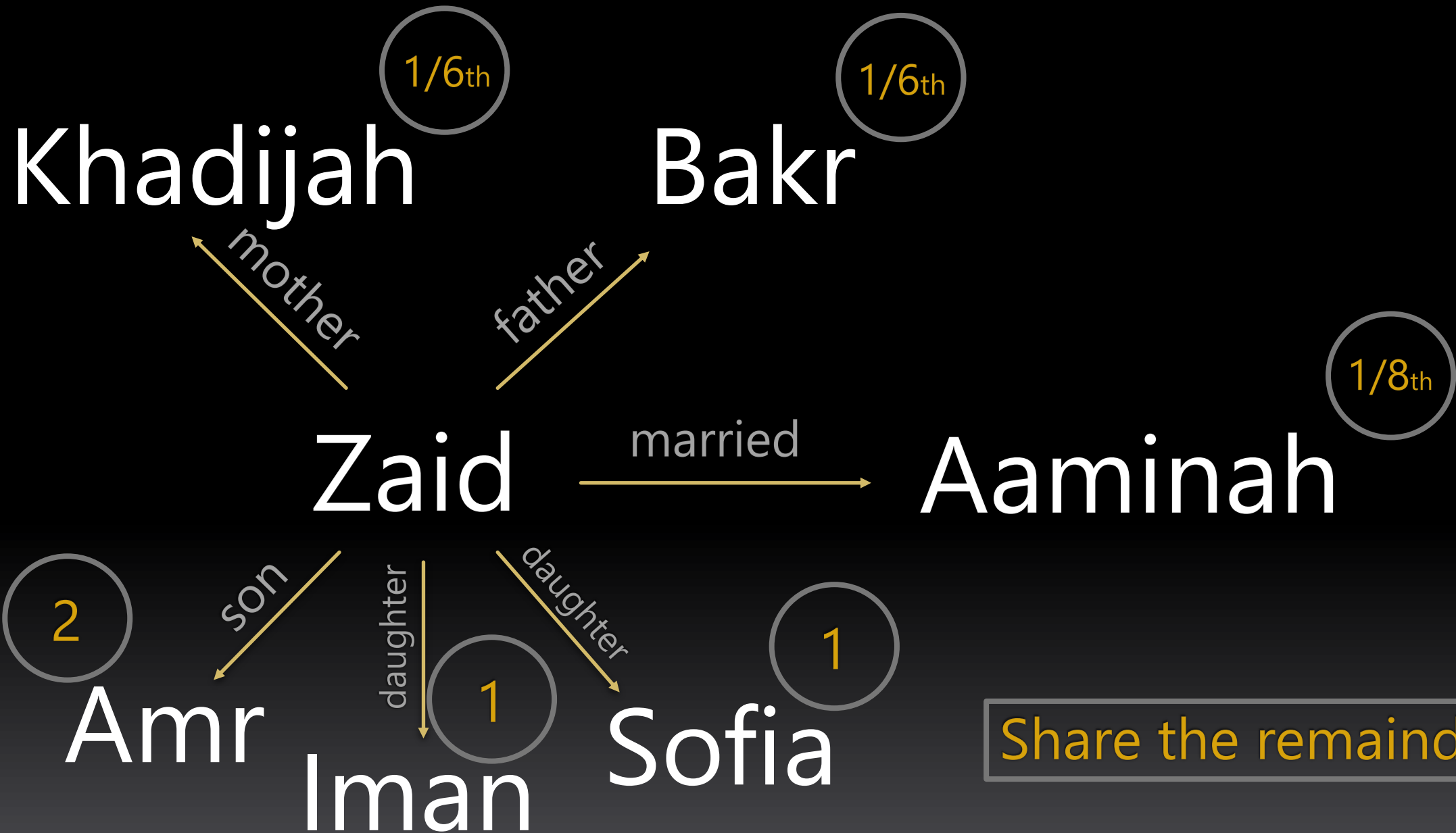
£650,000

+ £300,000

Tax Efficiency

- ❖ Spouse Exemption
- ❖ Smaller share Islamically
- ❖ Less tax efficient
- ❖ Solution = Use trusts





Tax Bill – Simple Islamic Will

- ❖ Zaid - £1.2m estate (including £250k business)
- ❖ $\frac{1}{8}^{\text{th}}$ to Aaminah (wife) - £150,000
- ❖ $\frac{1}{6}^{\text{th}}$ to Khadijah (mother) - £200,000
- ❖ $\frac{1}{6}^{\text{th}}$ to Bakr (father) - £200,000
- ❖ Remainder to Children (£325,000 to son, £162,500 each to daughters)

Tax Bill – Simple Islamic Will

- ❖ Total Estate - £1.2m
- ❖ - NRB (£325,000)*
- ❖ - Spouse exemption (£125,000)
- ❖ - Business Property Relief (£250,000)
- ❖ Total Taxable estate = £500,000 @ 40%

* Possibility of RNRB ignored for simplicity

IHT Bill on 1st Death

£200,000

Zaid's Estate



Trust Fund

income

Aaminah

IHT Bill on 1st Death

£0

Zaid's Estate



Letter of
Wishes

capital

Trust Fund

income



Aaminah

On 2nd Death

- ❖ Aaminah's estate + Trust Fund
- ❖ £650,00 nil rate band (NRB)
- ❖ £300,000 residence NRB
- ❖ Tax planning between 1st and 2nd death
- ❖ Gifting strategy

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Guardians

❖ Children under 18

“... If the guardian is well off, let him claim no remuneration, but if he is poor, let him have for himself what is just and reasonable.....”

Surah An-Nisa, 6

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Executors & Trustees

❖ Responsible

❖ Will = Choice

“Let those (disposing of an estate) have the same fear in their minds as they would have for their own if they had left a helpless family behind; let them fear Allah and speak words of appropriate (comfort).”

Surah An-Nisa, 9

“Those who unjustly eat up the property of orphans, eat up a fire into their own bodies; they will soon be enduring a blazing fire”

Surah An-Nisa, 10

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Asset Protection

- ❖ Trust fund **protects** assets
- ❖ Letter of Wishes – additional instructions

“To those weak of understanding make not over your property, which Allah has made a means of support for you, but feed and clothe them with it, and speak to them words of kindness and justice”

Surah An-Nisa, 5

“Give unto orphans their wealth . Exchange not the good for the bad (in your management thereof) nor absorb their wealth into your own wealth . Lo! that Would be a great sin”

Surah An-Nisa, 2

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Funeral Wishes

- ❖ Historical anecdotes
- ❖ Ghusl, Kafn, Janazah, Dafn
- ❖ Non-evasive autopsy

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Nasihah

- ❖ Final testimony of faith
- ❖ Advice to family & friends
- ❖ Greatest impact

8

Charity

- ❖ UK charities – legacy donations
- ❖ Sadaqah Jaariyah
- ❖ Tax exemption
- ❖ Give 10%
- ❖ Leave a lasting legacy

40% IHT 36% IHT

“But if at the time of division other relatives, or orphans, or poor are present, feed them out of the (property) and speak to them words of kindness and justice”

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Pensions

10

Businesses & BPR

11

Debts

12, 13, 14 ...

Summary



You

Your family

Your local Muslim community

Muslim charities

The Muslim Ummah (iWaqf)

Questions?

www.as-suffa.org

www.iwillsolicitors.com