

Islamic Legacy Planning

Beyond Faraid



Islamic Legacy Planning

Take a moment to reflect on your journey and consider the legacy that you may leave behind. This involves understanding the Faraid beneficiaries, Islamic legacy planning tools and other arrangements to consider as you enter your golden years.



What legacy are you leaving behind?

None of us like to think about the end of our lives, but planning for it can bring peace of mind and help ensure that our wishes are honoured in accordance with Islamic principles. By taking the time to make life plans, we can relieve our loved ones of the burden of making difficult decisions during a stressful time.

Islamic Legacy Planning is a thoughtful approach in ensuring that your assets are distributed according to Islamic Inheritance Law (Faraid) after your life ends. It is also never too early to start the conversation about end-of-life planning and put your wishes in writing. You can explore and utilise tools to ensure that your legacy benefits your family and community.

🔍 Visit go.gov.sg/planmylegacy to get started.

Faraid

When a Muslim passes away, his or her estate will be distributed based on the Islamic inheritance law or Faraid, as prescribed by the Quran and Hadiths. It determines the rightful heirs, the amount of their shares, and the procedures for distribution. The shares of the heirs are determined based on their relationship (by blood) with the deceased. Another pre-condition to claim inheritance under Faraid is that the recipient has to be Muslim.

1. Faraid Calculator

by Syariah Court

Begin by understanding who your beneficiaries are, the distribution rules, and the stipulated beneficiaries' shares.

You may use the Syariah Court's Online Trial Inheritance Calculator to visualise how your estate will be distributed according to Faraid.

Did you *know*?

HDB and other properties in Singapore under the joint-tenancy ownership would not fall under Faraid distribution if there is a surviving joint-owner. Unlike the tenancy-in-common manner of holding, the right-of-survivorship would apply in the case of joint-tenancy and the surviving co-owner would assume full ownership of the property.

Properties outside of Singapore would be governed by the relevant laws in the place of the property.



Nominations

In the context of financial planning, a nomination refers to the process of designating a person, persons, or an organisation to receive the proceeds of an insurance policy, investment account, or other financial asset in the event of the policyholder's or account holder's death. The person or organisation designated to receive the proceeds are known as the nominees.

2. CPF Nomination

by Central Provident Fund Board

A CPF nomination allows you to decide what happens to your CPF savings after you pass on.

CPF nominations are a valid form of hibah (gift) as it is made by the contributor during their lifetime. You can choose to nominate your CPF assets to nominees according to Faraid or distribute to any non-Faraid heirs or even organisations as a way to leave your legacy.

3. Insurance Nomination

Making your insurance nominations will help to determine who receives your insurance proceeds after your death. You can check with your respective insurance providers on the process to make your nomination.

A revocable insurance nomination is a contemporary form of hibah and is a new form of financial planning which is in accordance with Islamic principles.

4. *Wasiat (Islamic Will)*

Wasiat is an Islamic Will that allows a person to distribute their wealth and assets according to their wishes, for up to one-third of their estate. These distributions can be made in favour of any person or organisation, excluding those who would naturally receive through Faraid (legal heirs). A wasiat could be a useful instrument to bequeath to beneficiaries who may be non-Muslims or not blood-related (e.g. adopted children). A wasiat is also commonly used to appoint an executor – a person named to administer the estate and can smoothen the probate process.

To make a valid Wasiat, a person must be of sound mind and body, of 21 years of age and the Wasiat must be signed in the presence of two adult Muslim male witnesses (who are not beneficiaries in the Wasiat).

Did you *know*?

Wasiat may not be a suitable instrument for you to transfer ownership for a HDB flat. Typically in Singapore, your manner of holding for your flat would either be joint-tenancy or tenancy-in-common, each having their own distribution rules permissible under Syariah. Consider approaching HDB to review your manner of holding for your flat that best suits your needs.





Pre-planning

5. Lasting Power of Attorney *by Office of the Public Guardian*

A Lasting Power of Attorney (LPA) is a legal document which allows you (donor) to appoint one or more persons (donees) to make decisions on your behalf in the event you lose mental capacity.

The Islamic principles encourage Muslims to plan and prepare for their future. LPA is a valid form of planning which is permissible under Islamic law.

6. Advance Care Planning *by Agency for Integrated Care*

Indicate your preferences with regards to your future healthcare and personal care through the ACP workbook.

An irsyad (religious guidance) issued is that Muslims are encouraged by faith to plan ahead and better manage our future health and life issues.

Register your ACP with an ACP facilitator to make your document readily available to the healthcare team whenever needed.

Recurring Charity (Sadaqah Jariyah) —————

In Islam, besides supporting loved ones, one can also engage in planned giving to benefit individuals beyond Faraid beneficiaries or as recurring charity (sadaqah jariyah).

As narrated by Abu Hurairah, Prophet Muhammad s.a.w said:

*"When a man dies, all his good deeds come to an end except three:
Ongoing charity (sadaqah jariyah), knowledge from which benefit is gained,
and a righteous child who prays for him."*

One way to gain perpetual rewards for the Hereafter is through Wakaf or Islamic endowment, which involves donating cash or assets for pious, religious, or charitable causes. The donated assets generate income that is channelled to the intended beneficiaries while ensuring the capital remains intact eternally.

Did you know?

You can contribute to a Wakaf or organisations via CPF / Insurance nominations or through a Wasiat (Islamic Will).

Wakaf Masyarakat Singapura (WMS)

You can make an impact with your contribution to the Wakaf Masyarakat Singapura (WMS), an Islamic endowment fund to support the needs of the Singapore Muslim community. Your contribution will be invested and the income channelled to beneficiaries of our community such as mosques, madrasahs, and the development of our future leaders. All wakaf is vested and administered by the Islamic Religious Council of Singapore (Muis).

Step 1: Appoint Muis as a nominee (for CPF / Insurance) or as a beneficiary (for Wasiat).

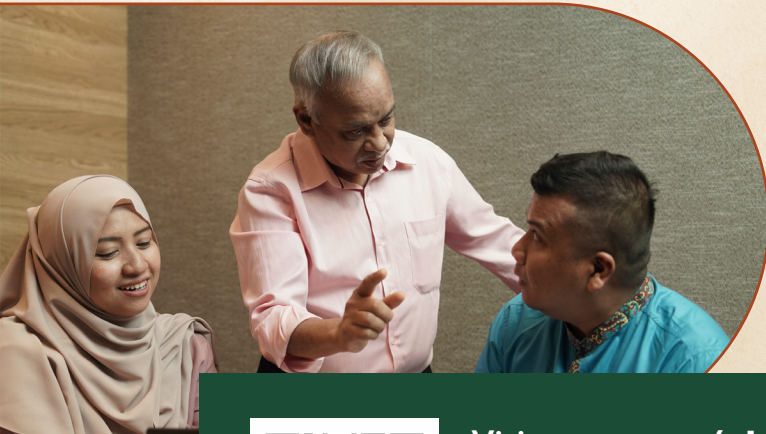
You will require the following details:

Name: Majlis Ugama Islam Singapura
UEN No.: T08GB0028L
Type of Entity: Organisation
Mailing Address: 273 Braddell Road,
Singapore 579702
Email: info@muis.gov.sg

Step 2: Inform Muis of your intent to contribute to WMS by submitting your details in the pledge form.



go.gov.sg/wms-pledge-servicesg



Visit go.gov.sg/planmylegacy to:

- Get started on the Islamic Legacy Planning tools
- View the relevant religious guidance
- Learn more about setting up a trust for persons with special needs



Majlis Ugama Islam Singapura
(Islamic Religious Council of Singapore)

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