

## Tzedaka Seminar - Part 1:

### **A. Mitzvah of Tzedaka:**

1. There is a Biblical requirement to give money to those who are less fortunate, who are either in front of you or who you are aware of.
2. Three percentage categories in fulfilling the Mitzvah: 1) 1/5, 2) 1/10, and 3) less than 1/10
3. Generally speaking, one is prohibited to give more than 1/5. There are 12 exceptions to this:
  - A. Prior to Passing Away ( He should not give it all away, as he should leave some for his wife & children.)
  - B. One Who Is Very Wealthy
  - C. If Poor People Are Presently in Front of You
  - D. Saving As Endangered Life
  - E. Supporting Torah Institutions & Torah Scholars
  - F. Steady Income
  - G. Redeeming Captives
  - H. Money not Earned (e.g. winning lottery or finding money)
  - I. Atonement For One's Sins (since one is spiritually sick)
  - J. Giving the Poor Their Bare Necessities
  - K. One Who Wastes Money
  - L. Yissachar & Zevulun Partnership
4. Minimum amount is 1/3 of a Shekel per year = approx. \$2
5. One is not required to borrow money in order to give Tzedaka. (unless one has interim investments)
6. There are different opinions regarding the Mitzvah of giving Ma'aser (tithes) from one's earnings (separating money in order to have funds available when the need arises) : 1) Biblical, 2) Rabbinic, 3) Minhag
7. Ma'aser is separated by setting aside 1/10 of one's earnings.
8. One should try to be meticulous in separating the first 1/10 before separating further amounts.
9. It is advisable to immediately separate money that is earned.
10. It is expedient to have a separate account for Ma'aser money to be placed.
11. Set up a free loan fund (Gemach). Start collecting for the Gemach from your last 1/3 of Maaser money until you have enough money in the fund. Alternatively, contribute to a communal Gemach fund.

### **B. Who is Obligated in the Mitzvah of Tzedaka?**

1. Any man who has reached the age of Bar Mitzvah
2. Any single woman who's reached the age of Bas Mitzvah
3. A married man generally gives the Tzedaka for the family, but there are exceptions.
4. A married woman, who is supported by her husband, may give small donations. She may only give large donations with her husband's consent.
5. A married woman , who supports her husband, may give large donations.
6. A married woman, who runs the household, even if her husband earns the money, may give large donations. However, it is best if the husband and wife agree amongst themselves how much she should give.
7. Children who have reached the age of 5 or 6 years old should be trained in this Mitzvah
8. A poor person has an obligation to give the minimum amount.
9. A person who owes money, should first pay back the money he owes before giving large amounts of Tzedaka, but is still obligated to give the minimum amount.
10. A person is not obligated to give Ma'aser until he has his basic necessities, which is determined within the society in which he lives. Basic necessities include supporting your spouse and children

at home (generally speaking) There are differing opinions if he is required to separate Ma'aser at all or to give himself from it.

11. Partnerships & companies per se` have no obligation to give Tzedakah. However, partners must give Tzedaka from profits actually drawn by them individually, as well as individual shareholders from dividends.

### **C. Application of Ma'aser:**

1. All earnings and profits fall into this category, which includes salaries, interest from banks, stocks and bonds, any profit from the sale of merchandise, profits from real estate, etc.
2. Profits when selling a business or stocks, etc.
3. Pensions withdrawn at source are not obligated in Ma'aser until you receive benefits from them.
4. Compensation payments like UI
5. Money you receive from the Government such a tax refunds, family allowance, etc.
6. Insurance claims awarded after deducting costs /expenses
7. German war reparations are not included.
8. You only have to consider profit that which is **realized gain**.
9. Any profit arising from an increase in the value of one's assets is only subject to Ma'aser when they are sold and profits received. ( no need to separate Ma'asser when stocks and mutual funds increase in value - only when they are sold.)
10. Dividends and capital gains are considered realized gains and are subject to Ma'aser when received, regardless if they are reinvested immediately afterwards.
11. All profits are subject to Ma'aser whether acquired through a business venture or not. This includes those of one's house. This only applies to the actual increase in value and not due to inflation or overall increase in housing.
12. Fringe benefits received due to one's job, such as medical / dental insurance through one's employer is included in salary. (This applies only if you would have bought it anyway)
13. Generally speaking, one is obligated to give Ma'aser on earning money through prohibited means, such as interest.
14. One does have to pay Ma'aser on money received from collecting money from a lost loan, from which you previously gave up hope from collecting, is obligated in Ma'aser. (after deducting the lost loan from his expenses in the year that he thought his loan was irreclaimable.)
15. Finding money that you are not obligated to return is considered newly earned money.
16. Finding your own lost or stolen money, which you originally relinquished hope of getting back, is obligated to give Ma'aser.
17. Inheritance money is obligated in Ma'aser.
18. Receiving a monetary gift is obligated in ma'aser.
19. The custom is not to separate Ma'aser from non-monetary gifts.
20. One who receives a monetary gift on the condition that he not separate Ma'aser from it, is generally not allowed to.
21. Children should not separate Ma'aser from money which their parents give them, unless they expressly tell the children to use the money as they please.
22. The same applies to a dowry.
23. There is no obligation for a couple to separate Ma'aser, when they combine both of their pre-titled assets.