

Unfortunately, the corruption has this much penetrated in our culture that such reimbursements are generally being misused. Without going into the details of the frauds that our nation has invented in this respect, we can just remind ourselves of the principle that the reimbursements should be made strictly in line with the respective principles and should be claimed keeping in view the principles of truth, fairness and honesty.

Medical insurance, like any other insurance, is not considered to be allowable from Shariah perspective and a vast majority of jurists sticks to this decision. In view of the same, for a practicing Muslim, there is no question of taking an insurance cover for his or his family's medical needs. It should also be viewed from spiritual perspective, whereby, once anybody gets ill, he and his family pray to Allah Almighty for His mercy. How can somebody call Him, praying for Shifa, which rests in His hands, while the expenditure on medical requirements is being met from Haram sources? Similarly, God forbid, if somebody dies during such treatment, having such meals and medicine in his stomach, which are obtained from Haram sources, how can somebody ask the mercy of Allah Almighty for that soul?

Fortunately, now we are in an era that a few Takaful companies have commenced operation in the country and now it is our duty to ensure that all the insurance arrangements are made under the Takaful modes.

will get transferred in the name of the employee, such arrangement would be directly concerning the employee. Accordingly, the same may not be termed permissible unless the employer has purchased the asset from his own funds or has arranged financing from a financial institution under various Shariah compliant schemes. Even in this case, the matter of insurance will directly relate to the employee, if the same is not absorbed by the lessor. Accordingly, the same should be insured under Takaful mode, if possible. Otherwise, its insurance should be avoided to the maximum extent possible.

Once again we should recall that in this respect it is the duty of the employee that if most of the operations of his employer are being performed in a way against the injunctions of Shariah he should preferably try to find a new employment as although such an employment may not be termed as Haram (if the duties being performed are not against the Shariah), however, he is supporting a un-Islamic business by his efforts.

Similar principles shall apply in case of all other assets provided by the employer to the employee including but not limited to household equipment and furniture, residential accommodation, computers and office equipment, telephone and communication facilities etc.

### Medical facility

Another major facility provided by the employers is the medical facility. It is generally provided in form of medical allowance, medical reimbursements and the medical insurance. Generally there arises no Shariah issue with respect to medical allowances because these are unconditional allowances paid as a perquisite. Nevertheless, the matters of medical expenses reimbursements and medical / health insurance are subject to a number of Shariah issues.

Medical reimbursements, like any other reimbursement, are supposed to be made against actual medical expenditure.

Same principle applies to all other assets owned by the employer, held in the custody of the employee.

Giving due regard to the significance of the matter, we have to consider the basic agreement between the employee and the employer. This agreement which is generally in form of appointment or appraisal letters and service rules issued by the employer and their expressed and implied acceptance by the employee. The matter that concerns the employee is the one that is basically relating to his own terms of employment. As discussed above, we have two motives for providing vehicles to the employees i.e. official use and as a perquisite. As far as vehicles provided for official use only, these matters become totally irrelevant for the employee as to whether the vehicle has been obtained on lease or through interest-based financing or has been insured under traditional insurance schemes, as all these matters concern the employer only.

On the other hand if the vehicle is provided to the employee for both official cum personal use, basically as a part of his perquisites, it becomes a matter of his concern also. At this stage we should refer to the terms of employment. In most of these terms it is agreed that the employer will provide a vehicle to the employee for use during the period of his employment and the ownership, risk and rewards of the asset will rest with the employer including the matters of purchasing (either directly or on lease), payment of taxes, assuming risks of theft and accidents (either directly or through insurance) and getting the gain at the end of the term when the vehicle is disposed off. This matter is very much similar to an operating ijara contract whereby the employee provides services and against such services the employer provides a vehicle to the employee in addition to the agreed pay and other benefits and the employee has absorbed no risk or reward with regard to such vehicle except for the usufruct of the vehicle during the tenure of his employment.

On the contrary, if it is agreed that the employer will provide a vehicle to the employee and at the end of the agreed term, the vehicle

employees. Generally in case of executives, the second motive is applicable whereas for the field force and sales and marketing officials, the first motive is more applicable. The facilities are provided in various forms e.g.:

- ★ Employer's maintained vehicle for official use;
- ★ Employer's maintained vehicle for official cum business purposes;
- ★ Transport allowances; and
- ★ Reimbursement of transport expenses.

For a Muslim employee there are a few issues in transport facilities provided by the employers. These issues include the matters of trust and misuse, leases and insurance.

The first issue that arises in the transport facilities is the matter of trust. The vehicles and the facilities provided by the employer are provided in trust and it is the responsibility of the employee to take care of the same in a manner of an Amana. Any negligence in this respect is not allowable from Shariah perspective, and even, any loss caused due to willful neglect need to be borne by the trustee under the Shariah principles unless the same is ignored by the principal i.e. the employer.

Issue of lease and insurance of cars is another matter that concerns Muslim employees. You would acknowledge that it is the general practice of various employers that the cars and other vehicles provided to employees are obtained on lease and as a matter of general practice it is not ensured that the lease arrangement is in accordance with the principles of Islamic Shariah. Similarly, these vehicles are comprehensively insured by the employers under traditional insurance schemes which may not be termed to be Shariah compliant. This matter always concerns Muslim employees and those having fear of Allah Almighty generally try to avoid the arrangement in which they themselves get involved in transactions not allowed by the Shariah.

## PROBLEMS OF A MUSLIM EMPLOYEE

### Alternates for Employee Loans

As a basic rule, we all may agree, that all the interest-bearing loans should be avoided by a Muslim employee, irrespective of the amount / rate of interest being charged on such loans. Even the loans which are provided through the provident fund should be avoided if these carry interest. Just a few options available to a Muslim employee, as an alternate to such loans, include the following:

- ★ Permanent withdrawals from provident fund – According to the provident fund rules provided by the Income Tax Ordinance, 2001 and rules made there under, an option is available to a member of provident fund to obtain a permanent withdrawal from his provident fund instead of obtaining a loan. Such permanent withdrawal is available in case of certain specific requirements e.g. purchase / building of a house etc.;
- ★ Interest-free loan from provident fund – In most of the provident funds rules, if an employee has opted not to take interest on his provident fund balance, no interest shall be charged on any loan taken by him. However, this rule is not common in all provident funds and the same need to be checked before any step is taken;
- ★ Arrangement through Islamic banks – The employees may obtain loans from Islamic banks and other Islamic financial institutions. In certain cases, these financing arrangements may require to be guaranteed by the employers.

### Transport Facilities

Transport facilities are provided by employers with two different motives. The first one is as a facility in performing the duties of an employee while the second one is to award perquisite for the