

How to Avoid Probate in Pennsylvania

Pennsylvania has no estate tax that collects anything today. It does have an inheritance tax, and the tax starts at the first dollar. Children over 21 and grandchildren of any age pay 4.5 percent, a brother or sister 12 percent, and most other heirs 15 percent. Avoiding probate saves a family time and fees. It doesn't change that tax. This guide covers both, and the tools that handle each one.

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THE PENNSYLVANIA REALITY

In Pennsylvania, a trust skips probate. It doesn't skip the inheritance tax.

A spouse pays 0 percent. Children over 21 and grandchildren of any age pay 4.5 percent from the first dollar, siblings 12 and most other heirs 15, by will or by trust. Insurance on the life of the person who died owes no Pennsylvania inheritance tax, whoever receives it.

Does Pennsylvania tax what your family inherits? Yes, from the first dollar.

Pennsylvania taxes what each person receives, at a rate set by that person's relationship to the one who died. There's no exemption amount and no minimum. A \$10,000 gift by will to a grandchild owes \$450. Pennsylvania's estate tax is still on the books, but it only picks up a federal credit for state death taxes, and Congress repealed that credit. So it collects nothing.

That makes two separate problems. Probate is a cost a Pennsylvania family can often shrink with the right titling. The inheritance tax is different. It applies to trusts, joint accounts and other assets that never go near a courtroom. Two things change the tax: who inherits, and what kind of asset it is.

What your family faces at death in Pennsylvania	2026 reality
Pennsylvania estate tax	\$0. The statute only collects a share of a federal credit that no longer exists.
Pennsylvania inheritance tax	0 percent to a spouse. 4.5 percent to most children, grandchildren, parents and grandparents (0 percent between a parent and a child 21 or younger). 12 percent to a brother or sister. 15 percent to most other heirs. Charged from the first dollar, whether or not the asset goes through probate.
Federal estate tax	\$0 unless your estate, plus taxable gifts made during life, is above the \$15,000,000 per-person exclusion for 2026, set by the 2025 federal tax law (Public Law 119-21).
Register of Wills fees	Each county sets its own. In Philadelphia, for example, the probate fee rises with the estate's value, and on a \$1,000,000 estate it's \$1,331.25. Other counties differ.

What your family faces at death in Pennsylvania	2026 reality
Personal representative commission	No fixed schedule in the statute. The court allows pay that's "reasonable and just" and may figure it as a graduated percentage. Practitioners often point to a 1983 county court schedule as a guide. On a \$1,000,000 estate that schedule works out to about \$33,000 (our estimate, not a legal limit).
Probate attorney fee	No fee schedule set by statute. Fees vary by attorney, so a written quote shows the cost up front.
Time tied up	The inheritance tax is due at death and becomes late 9 months after it, with a 5 percent discount for paying within 3 months. An executor who pays out the estate within a year of the completed newspaper notices does so at personal risk. A creditor who comes forward after that year but before the payout still has a claim against the executor. Claims against real estate run on a separate clock. Settling an estate commonly takes about 9 to 18 months (our estimate).

Pennsylvania probate starts at the county Register of Wills, and disputes go to the Orphans' Court Division. The friction comes from five places: the commission, the county fees, the attorney, the newspaper notices and a year before an executor can pay out without risk from a late creditor.

Which tools keep assets out of Pennsylvania probate? Six, with one caveat.

Pennsylvania law offers six ways to pass assets without a full probate. Each card below names what the tool does to the inheritance tax, because in Pennsylvania the two answers are usually different.

TOOL 1: OFTEN USED FOR REAL ESTATE

Funded Revocable Living Trust

The person creating the trust usually serves as trustee during life. The home, accounts and business interests move into the trust's name. At death a successor trustee hands everything out under the trust's instructions, with no probate. The same trustee can manage trust assets if the owner can no longer do it. This is Pennsylvania's main route for real estate, because **Pennsylvania doesn't currently offer a transfer-on-death deed**. A trust has four limits here. It avoids probate only on assets moved into it. It doesn't lower the inheritance tax, because Pennsylvania taxes property in a trust the owner could revoke. The owner's creditors keep the same rights against trust assets after death that they'd have against the estate. And a surviving spouse's elective share includes it.

Authority: 20 Pa.C.S. Chapter 77, including §7752 (revocable trusts) and §7755 (creditors); 72 P.S. §9107(c)(7) (inheritance tax on revocable transfers); 20 Pa.C.S. §2203(a)(3) (elective share); Pennsylvania Department of Revenue, REV-1500 (Schedule G questions).

***Commonly used for:** A Pennsylvania home, rental property or business interest, blended families, and people who want one document that handles both death and incapacity.*

TOOL 2: EXEMPT FROM PENNSYLVANIA INHERITANCE TAX

Life Insurance

Pennsylvania exempts **all proceeds of insurance on the life of the person who died**. The statute puts no condition on who receives them: a spouse, a child, a sibling, a niece or a friend. A death benefit paid to a named beneficiary also skips probate. Paid to the estate instead, it's still exempt from the inheritance tax, but it goes through probate and becomes part of the estate the executor settles. Life insurance is also left out of a surviving spouse's elective share unless it's paid to the estate. For larger estates, an irrevocable life insurance trust (ILIT) can own the policy and hold the money for heirs.

Authority: 72 P.S. §9111(d); 20 Pa.C.S. §2203(b)(2).

Terrence holds the life insurance licenses on our team and is paid when a policy is placed.

***Commonly used for:** People leaving money to a sibling, niece, nephew, partner or friend, where the inheritance tax runs 12 or 15 percent.*

TOOL 3: MARRIED COUPLES AND CO-OWNERS

Joint Ownership With Right of Survivorship

With right of survivorship, the surviving co-owner owns a home or account outright at the first death, with no probate. For a married couple this is also a tax tool: property spouses own together with right of survivorship is exempt from the inheritance tax. With anyone else, Pennsylvania taxes the share that belonged to the person who died, worked out by dividing the value by the number of owners. Two owners means half is taxed, even when the second name went on the account only for convenience. If the person who died set up the joint ownership within a year of death, the full value is taxed, less \$3,000. On a deed, adding a child gives that child a share of the house now. On a joint bank account, it gives the child the right to withdraw the money. Either way, it solves only the first death.

Authority: 72 P.S. §9108 and §9111(m); 20 Pa.C.S. §6303(a) and §6304(a) (joint bank accounts).

***Commonly used for:** Married couples who want the home and bank accounts to pass to the survivor with no probate and no inheritance tax. Many pair it with a funded trust for the second death.*

TOOL 4: BANK AND BROKERAGE ACCOUNTS

Payable on Death (POD) Accounts and Transfer on Death (TOD) Registrations

A bank account can name a beneficiary who receives the balance at death. Pennsylvania's statute covers these as "trust accounts" when the owner holds the account in trust for the named person. A brokerage account can be registered in transfer-on-death (TOD) form under Pennsylvania's version of the Uniform TOD Security Registration Act. In both cases the named person collects directly from the bank or broker, with no probate, and the owner keeps full control during life. These forms skip probate, not the inheritance tax. Because the owner could change them up to the end, Pennsylvania taxes them like any other transfer at death, at the beneficiary's rate.

Authority: 20 Pa.C.S. §6301 and §6304(b) (trust accounts); 20 Pa.C.S. Chapter 64, including §6409 (TOD securities); 72 P.S. §9107(c)(7); Pennsylvania Department of Revenue, REV-1500 (Schedule G questions).

***Commonly used for:** Pennsylvania bank and brokerage accounts. It's set up directly with the bank or broker.*

TOOL 5: RETIREMENT ACCOUNTS

Beneficiary Designations on Retirement Accounts

A 401(k), 403(b) or individual retirement account (IRA) passes by contract to the person named on its beneficiary form, with no probate. Pennsylvania's inheritance tax treatment depends on access. The statute exempts these payments to a named beneficiary to the extent the owner couldn't access the money before death. The Department of Revenue reads that to mean an IRA of someone who dies before age 59½ is typically not taxed, unless the owner was disabled. It treats a 401(k) the same way, unless the owner could have withdrawn without penalty. That depends on the plan's terms; the Department says for most plans it's retirement age, usually 62 or 65. Once the owner had that access, the account is taxed at the beneficiary's rate. Naming "my estate" or leaving the form blank can pull the account into probate. **Authority: 72 P.S. §9111(r); Pennsylvania Department of Revenue, REV-584.**

Commonly used for: *People with a retirement account. Families commonly review these forms after a marriage, divorce, birth or death.*

TOOL 6: WHEN SOME PROBATE IS UNAVOIDABLE

Pennsylvania's Small-Estate Routes

Three shortcuts help a small estate. First, some money can go straight to family with no executor appointed. Some bank accounts can be paid out without probate. When a person's total balance at one bank is \$20,000 or less, the statute directs the bank to pay it to a close relative. The spouse comes first, then a child, a parent or a sibling. The bank pays when it's shown a paid funeral bill, or a sworn statement from a licensed funeral director that payment for the funeral has been arranged. An employer can pay up to \$10,000 of wages or benefits. An insurer owing the estate \$11,000 or less can pay the family after 60 days. Second, the Orphans' Court Division can order the rest of the personal property distributed on a petition, without full administration, when it's worth \$50,000 or less. Real estate and those direct payments don't count toward that limit, but property claimed as the family exemption does. Third, the spouse, or if there's none, a child living in the household, or if there's none, a parent living in the household, can claim a \$3,500 family exemption from the estate. These routes are built for small estates, and none of them changes the inheritance tax. **Authority: 20 Pa.C.S. §3101 (direct payments), §3102 (\$50,000 petition) and §3121 (family exemption).**

***Commonly used for:** Smaller estates, or estates where good titling has already moved almost everything outside probate.*

Pennsylvania doesn't offer a transfer-on-death deed today

- **The bill that would create one hasn't passed the Senate.** House Bill 2124 would adopt the Uniform Real Property Transfer on Death Act. It passed the House 202 to 0 on October 5, 2026, and went to the Senate Judiciary Committee on October 13, 2026. As of October 15, 2026, it isn't law. That leaves a funded trust or survivorship titling as the usual routes for a house.

Does avoiding probate avoid Pennsylvania's inheritance tax? No.

Pennsylvania taxes an inheritance the same way whether it arrives by will, trust or account form. Property in a revocable trust, POD and TOD accounts, and joint property

with anyone other than a spouse are all taxed by who receives them. Gifts count too. A gift made within one year of death is taxed to the extent it's over \$3,000 to that person in a calendar year.

Two things set the tax: who inherits, and whether the asset is one of the few the law exempts.

Who inherits	Pennsylvania inheritance tax
Spouse	0 percent
Child age 21 or younger, from a parent or stepparent (deaths after 2019); a parent, from a child age 21 or younger	0 percent
Child, stepchild, adopted child, grandchild and further descendants; parent; grandparent; the spouse of a child, or a child's surviving spouse who hasn't remarried (the Department's reading)	4.5 percent
Brother or sister, including half-siblings	12 percent
Niece, nephew, aunt, uncle, cousin, stepsibling, friend, unmarried partner, a sibling's spouse	15 percent
Qualified charity, or a government body	0 percent, exempt

What passes, and how	Pennsylvania inheritance tax
Life insurance on the life of the person who died, to any beneficiary	Exempt
Property a married couple owns with right of survivorship	Exempt
Retirement account paid to a named beneficiary, to the extent the owner couldn't access it before death	Exempt
Outright gift made more than one year before death, with nothing kept back	Not taxed
Gift made within one year of death	Taxed above \$3,000 per person per calendar year
Joint account with a child or anyone other than a spouse	Taxed on the share of the person who died (half, with two owners)
Property left by will, revocable trust, POD or TOD form	Taxed at the beneficiary's rate

The rates are flat, so the tax on one person's share is the amount times the rate.

Who inherits	\$100,000 left	\$500,000 left
Child or grandchild (4.5%)	\$4,500	\$22,500
Brother or sister (12%)	\$12,000	\$60,000

Who inherits	\$100,000 left	\$500,000 left
Niece, nephew or friend (15%)	\$15,000	\$75,000

On \$1,000,000 left to one person, the tax is \$45,000 for a child, \$120,000 for a sibling and \$150,000 for a niece.

Computed the way the inheritance tax return figures it: the net value passing to each person times that person's rate (72 P.S. §9116). Figures are before deductions and before the 5 percent early-payment discount. Debts, funeral costs, the family exemption, and executor and attorney fees come off the estate before the tax.

The same \$500,000 to a niece, three ways	Probate?	Pennsylvania inheritance tax
Left by will	Yes	\$75,000
Left through a funded revocable trust	No	\$75,000
Paid as a \$500,000 life insurance death benefit, with the niece as named beneficiary (premiums paid during life)	No	\$0

The policy isn't free. The owner pays premiums during life and has to qualify for coverage. The \$500,000 the owner already has still passes at death, and it's still taxed at 15 percent if it goes to the niece. The comparison is the premiums paid against the \$75,000 of tax.

Is there a reward for paying early? Yes, 5 percent.

Pennsylvania's inheritance tax is due at death and becomes late 9 months after it. Tax paid within 3 months of death earns a 5 percent discount, capped at 5 percent of the total tax due. On \$500,000 left to a sibling, the \$60,000 tax drops to \$57,000 when it's paid in full inside that window. A partial payment inside the window counts for more than its face

value. The return instructions' own example: \$100 paid in the window on a larger bill counts as \$105.26.

The return itself, Form REV-1500 for a Pennsylvania resident, is filed with the county Register of Wills. The Department can extend the time to file by 6 months, but that doesn't extend the time to pay. Interest runs from the day after the 9-month deadline. **Authority: 72 P.S. §9136, §9142 and §9143; REV-1500 instructions.**

What can probate cost a \$1 million Pennsylvania estate? Roughly \$34,000, before attorney fees.

ILLUSTRATIVE: \$1 MILLION PHILADELPHIA ESTATE, EVERYTHING TO THE SURVIVING SPOUSE

Plan A: Will only. A house, bank and brokerage accounts in one spouse's name run through probate.

Executor commission (1983 county court schedule practitioners cite, our estimate)	about \$33,000
Register of Wills probate fee (Philadelphia schedule)	\$1,331.25
Probate attorney fee	by quote
Newspaper notices of the executor's appointment	varies
Pennsylvania inheritance tax (all to the spouse, 0 percent)	\$0

Commission plus county fee **about \$34,331, plus attorney fees**

A spouse or child serving as executor may waive the commission, which then stays in the family. Plus the three weeks of newspaper notices and a one-year creditor window before the executor can pay out without risk.

SAME \$1 MILLION ESTATE, RESTRUCTURED

Plan B: Survivorship titling for the house and bank accounts + TOD brokerage + named beneficiaries + a funded trust for the second death.

Setup (trust, deed, account forms)	one-time attorney fee
Executor commission on assets that skip probate	\$0
Register of Wills probate fee on those assets	\$0
Successor trustee pay at the second death	reasonable pay, or waived
Pennsylvania inheritance tax (all to the spouse, 0 percent)	\$0

Probate cost at the first death near \$0

At the second death the children inherit, and the 4.5 percent inheritance tax applies to what they receive under either plan. The trust doesn't change that. A child 21 or younger pays 0 percent. If no executor's notice runs within 90 days of the second death, the trustee has to run the newspaper notices for creditors. A family member serving as trustee can waive the trustee's pay.

Numbers are illustrative. Pennsylvania sets no executor fee schedule: the statute calls for pay that's "reasonable and just" (20 Pa.C.S. §3537), and the \$33,000 figure comes from a 1983 Delaware County court schedule (Johnson Estate) that practitioners use as a reference point, not a rule. The probate fee is Philadelphia's posted schedule; other counties differ. Everything goes to the spouse, so the inheritance tax is \$0 in both plans and this comparison is purely probate friction. Your actual numbers depend on county, asset mix, beneficiaries and complexity. This isn't legal or tax advice.

Where does our work stop? We estimate the tax, and attorneys draft.

We're Enrolled Agents. We work on the tax: what your estate would owe the IRS, which filings it triggers, and what each choice is worth in dollars. We don't draft documents and we don't practice law.

Every tool on this page is a legal instrument. Which one fits your family, how it's drafted, and how it works with the documents you've already signed are questions for a Pennsylvania attorney. It helps to know what each choice is worth in tax before you sit down with that attorney.

What do Pennsylvania families get wrong? Five costly mistakes.

Each of these five mistakes costs a Pennsylvania family time, tax or both

- **Assuming a trust, a POD form or a joint account with anyone but a spouse avoids the inheritance tax.** None of them does. A child over 21 still pays 4.5 percent and a niece 15 percent. Life insurance and spousal survivorship property are the main exemptions.
- **Buying a revocable trust and never funding it.** A trust avoids probate only on assets moved into it. With no transfer-on-death deed in Pennsylvania, a house left outside the trust goes to probate.
- **Adding a child to a deed or account to skip probate.** On a deed it hands the child a share now, and on a bank account the right to withdraw. Half the value is still taxed at death, and if the person who died set it up within a year of death, the full value is taxed, less \$3,000.
- **Naming "my estate" as beneficiary on a life insurance policy or retirement account.** The policy stays exempt from the inheritance tax, but the money goes through probate. A retirement account paid to the estate goes through probate too.
- **Missing the 3-month window.** Tax paid within 3 months of death is discounted 5 percent. On a \$60,000 bill, that's \$3,000.

Which issues need their own conversation? Five, starting with federal estate tax.

This is a probate-avoidance guide, not a full estate plan. Five Pennsylvania issues go beyond probate and need separate attention:

- **Federal estate tax planning for estates near or above \$15,000,000.** The marital deduction, portability and lifetime gifts are a separate and larger conversation. Portability needs a federal estate tax return filed on time at the first death. The exclusion has no scheduled expiration and is indexed for inflation from 2027.
- **The spouse's elective share.** A surviving spouse can claim one-third of a wide pool of property. It includes a revocable trust and gifts made within a year of death above \$3,000 per person. It also includes some joint property the one who died set up during the marriage and could have cashed out alone. The election is due 6 months after death or after probate, whichever is later. **Authority: 20 Pa.C.S. §2203 and §2210.**

- **Family farms and small family businesses.** Pennsylvania exempts some farmland that stays in farming for 7 years, and some other agricultural property. It also exempts some wholly family-owned businesses (fewer than 50 employees, under \$5,000,000 of net book value, at least 5 years old) that stay in the family for 7 years. The conditions are strict. **Authority: 72 P.S. §9111(s), (s.1) and (t).**
- **Medicaid long-term care.** Medicaid has its own rules about assets after death, and they need a long-term-care conversation, not a probate form.
- **Moving out of Pennsylvania, or owning property elsewhere.** A nonresident's stocks, bonds and bank accounts aren't taxed, but Pennsylvania real estate and tangible property still are. Property in another state may need its own plan to avoid a second probate there. **Authority: 72 P.S. §9111(h) and §9116(b)(2).**

What do the legal words mean? Twenty-eight terms, in plain English.

Every term below appears in this guide or in the documents a Pennsylvania attorney commonly uses.

Term	What it means
Probate	The court process that moves what you owned into the names of the people who inherit it.
Register of Wills	The county official who accepts wills for probate, appoints the executor and collects the inheritance tax return. Each of Pennsylvania's counties has one.
Orphans' Court Division	The part of each county court that handles estate disputes, accountings, small-estate petitions and the spouse's elective share.
Executor, administrator, personal representative	The person who settles an estate. An executor is named in a will. An administrator is appointed when there's no will. Personal representative covers both.

Term	What it means
Letters	The document the Register of Wills issues to show the personal representative has authority to act for the estate.
Commission	What the personal representative is paid for the work, set by the court as reasonable. It can be waived.
Revocable living trust	A trust you control and can change during your life. Assets titled in it skip probate.
Funded, unfunded	A funded trust actually holds title to your assets. An unfunded trust holds nothing, so it avoids nothing.
Successor trustee	The person named to take over a trust and hand out its assets after the owner's death.
Transfer-on-death (TOD) deed	A recorded deed, offered in some states, that names who inherits a house without probate. Pennsylvania doesn't currently offer one.
Payable on death (POD), trust account	A bank account that names who receives the balance at death. Pennsylvania's statute covers it as a trust account when the owner holds it in trust for that person.
Transfer on death (TOD) registration	A beneficiary named on a brokerage account or securities. They pass to that person without probate.
Beneficiary designation	The form on a retirement account or insurance policy that names who receives it at death.
Right of survivorship, tenancy by the entirety	Ways to co-own property so the survivor owns all of it at the first death. Tenancy by the entirety is the version for married couples.
Irrevocable life insurance trust (ILIT)	A trust that owns a life insurance policy and holds the death benefit for heirs under rules set when it's created.
Death benefit	What a life insurance policy pays when the insured person dies.

Term	What it means
Estate tax	A tax on what a person leaves, paid by the estate before anyone inherits. Pennsylvania's collects nothing today.
Inheritance tax	A tax on what each person receives, at a rate set by that person's relationship to the one who died. Pennsylvania has one.
Lineal, sibling and collateral rates	Pennsylvania's rate groups: 4.5 percent for descendants, parents and grandparents (lineal), 12 percent for brothers and sisters, 15 percent for most others (collateral).
Early-payment discount	The 5 percent reduction for inheritance tax paid within 3 months of death.
REV-1500	The Pennsylvania inheritance tax return for a resident, filed with the county Register of Wills within 9 months of death.
Family exemption	\$3,500 of property that the spouse can claim from the estate. If there's no spouse, children in the household can claim it, and if there are none, parents in the household.
Elective share	A surviving spouse's right to take one-third of a wide pool of property instead of what the will leaves.
Gross estate, taxable estate	For federal estate tax. Gross estate: everything counted at death. Taxable estate: what's left after deductions. The federal tax is figured on the taxable estate.
Exclusion	The amount that passes with no federal estate tax: \$15,000,000 per person in 2026.
Portability	A surviving spouse's right to use whatever federal exclusion the first spouse didn't, if the first estate files a timely federal estate tax return and elects it.
Marital deduction	The federal rule that lets property pass to a surviving spouse with no estate tax at the first death.

Term	What it means
P.S., Pa.C.S., IRC, HB	Purdon's Statutes and the Pennsylvania Consolidated Statutes (state law), the Internal Revenue Code (federal tax law), and House Bill (a bill in the Pennsylvania legislature).

Questions about the federal estate tax?

We're always glad to talk about how the federal estate tax works. For anything about how Pennsylvania's inheritance tax applies to your heirs, or about drafting or choosing legal documents, talk with a Pennsylvania attorney.

Book a Tax Discovery Call calendly.com/terrence-cec/taylorred-tax-discovery-meeting

Important. This guide is general educational information about Pennsylvania probate and inheritance tax law as of October 2026. It isn't legal advice or tax advice for your situation, and it isn't a substitute for the advice of an attorney licensed in Pennsylvania. Inheritance tax rates, exemptions and the early-payment discount come from Article XXI of the Tax Reform Code of 1971 (72 P.S. §9101 and following) and the Pennsylvania Department of Revenue's REV-1500 instructions and REV-584 brochure. The executor commission figure is a non-binding benchmark, and Register of Wills fees vary by county. The status of House Bill 2124 (transfer-on-death deeds) is as of October 15, 2026 and may change. Statute citations and dollar figures should be re-verified against current Pennsylvania law and Department of Revenue guidance before any document is filed. Federal estate tax figures reflect Public Law 119-21 (\$15,000,000 per individual exclusion, 2026). IRS figures can change after this guide is published. Taylored Tax isn't engaged in the practice of law. Sources for every statute and dollar figure above are available on request.