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Recent law increases amounts that can be paid to family members without probate

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Three significant changes are coming to Pennsylvania's probate laws in 2026, with two coming this month.

Gov. Josh Shapiro signed Act 50 into law in November, and it will affect rules for intestacy, financial institutions, and unclaimed property.

Changes coming January 23:

First, the act changes how the remainder of an estate is distributed when a decedent has no will or living heirs. Previously, when a decedent had no living heirs, the law required that any remainder of an estate pass to the Commonwealth of Pennsylvania ("Commonwealth"). Under the change, the remainder of an estate will first pass to an endowed community fund (ECF) before it reaches the Commonwealth. To qualify as an ECF, the ECF must be a "fund held by a community foundation that provides grants and benefits to charitable causes and is intended to exist in perpetuity." The estate passes to an ECF located in the decedent's municipality, school district, or county. If there is no qualifying ECF, the remainder of the estate will pass to the Commonwealth.

Second, the act increases the amount financial institutions are permitted to release from a deposit account to family members of a decedent to $20,000. The qualifying family members include spouse, child, parent, or sibling. Previously, financial institutions could release funds from an account if the balance did not exceed $10,000. The decedent's family members must still provide a certified death certificate and a paid funeral bill or a receipt therefor, to collect the account. When only smaller bank accounts are involved, this change is instrumental for families looking to avoid the cost and delay of opening an estate.

Change coming May 23:

The act increases the amount of unclaimed or abandoned property that the state treasurer may release to a decedent's family members to $20,000. Before the act, the treasurer could not release funds or property to family members unless the amount was equal to or less than $11,000. Along with the claim application, the heirs of a decedent are still required by the treasurer to provide a notarized affidavit with specified information, as well as a certified death certificate.

If you have questions about the upcoming rule changes, please contact me or any member of the Saxton & Stump Trusts and Estates Group.

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