What is an “Excepted Estate”?

A plain-English guide to an important probate and Inheritance Tax term

In simple terms: an excepted estate is an estate which meets HMRC’s conditions so that the executors or administrators usually do not have to send HMRC a full Inheritance Tax account (form IHT400) before applying for probate.

Why you may hear this expression

When someone dies, the people dealing with the estate must establish what the deceased owned, what debts are due, who inherits under the Will (or intestacy rules), and whether Inheritance Tax (IHT) has to be reported or paid. **One of the early questions is whether the estate qualifies as an excepted estate.**

For deaths on or after 1 January 2022, where an estate qualifies, the personal representatives normally provide the required estate values as part of the probate application rather than completing a separate full IHT400 account.

The two most common types

LOW-VALUE EXCEPTED ESTATE	EXEMPT EXCEPTED ESTATE
Broadly, the gross value of the estate is no more than the available Inheritance Tax nil-rate band, subject to the detailed HMRC conditions.	The estate may be much larger, but after allowable debts and spouse/civil partner and/or charity exemption, the amount potentially chargeable to IHT does not exceed the available nil-rate band. For qualifying deaths, the gross estate can be up to £3 million.

Example — why an estate can be “excepted” even though it is not small
A husband dies leaving an estate worth £900,000. He leaves £700,000 to his wife and £200,000 to his children. The £700,000 passing to his wife is normally covered by spouse exemption, leaving £200,000 potentially chargeable. Subject to the other HMRC conditions being satisfied, the estate may therefore qualify as an exempt excepted estate.

An important point: “no tax to pay” is not the same as “excepted estate”

An estate can owe no Inheritance Tax and still require a full IHT400. This can happen because HMRC’s excepted-estate rules look not only at the final tax bill, but also at the nature and history of the estate.

- Assets held in trust can affect whether the estate qualifies.
- Foreign assets are subject to limits under the excepted-estate rules.
- Lifetime gifts made before death can be relevant.
- A gift where the deceased continued to benefit from the asset may prevent excepted-estate treatment.
- An interest in more than one trust or settlement can require a full IHT400.

Why this matters when making or reviewing your Will

The rules are mainly concerned with what happens after death, but they are also a useful reminder that **the way an estate is structured during lifetime and under a Will can affect the work required later.**

- A straightforward Will and clear records can make the probate process easier for executors.
- Trust provisions can be valuable, but they may make the estate more complex to report.
- Lifetime gifts should be recorded carefully, particularly significant gifts made within seven years of death.
- Keeping an up-to-date schedule of assets, liabilities and ownership can save considerable time later.
- Marriage, bereavement, remarriage, property changes and family changes are all good reasons to review a Will.

A few useful expressions

TERM	MEANING
Personal representatives	The executors named in a Will, or administrators where there is no effective executor.
Probate	The court process by which an executor's authority to deal with the estate is formally recognised.
Gross estate	Broadly, the value of assets before deducting liabilities.
Net estate	Broadly, the value remaining after allowable debts and liabilities.
Nil-rate band	The amount which can normally pass before IHT becomes chargeable. The standard nil-rate band is currently £325,000, although transferable allowances may sometimes increase the amount available.
IHT400	The full Inheritance Tax account used where an estate does not qualify for the simpler excepted-estate procedure or where the rules otherwise require it.

What should executors do?

Executors should not assume an estate is excepted simply because they believe no Inheritance Tax will be payable. The estate should first be valued and the relevant HMRC conditions checked. If the estate qualifies, the required figures are normally given as part of the probate application. If it does not qualify, a full IHT400 may be needed.

Planning point
If you are reviewing your Will, it is worth considering not only who should inherit, but also how your assets are owned, whether trusts are involved, what lifetime gifts have been made, and how easy it will be for your executors to identify and administer everything.

Important: This briefing is a general guide for England and Wales and is not a substitute for advice on a particular estate. Inheritance Tax and probate rules can change, and the detailed rules should always be checked at the relevant date of death. Information updated to September 2026.

Current HMRC position referenced: HMRC Inheritance Tax Manual guidance on excepted estates, including low-value estates, exempt estates, trust interests and the probate reporting procedure.