

BENEFITFOCUS, INC.

Reported by
JENKINS SHAWN A

FORM 4

(Statement of Changes in Beneficial Ownership)

Filed 03/01/17 for the Period Ending 02/27/17

| | |
|-------------|--|
| Address | 100 BENEFITFOCUS WAY CHARLESTON, SC 29492 |
| Telephone | 843-849-7476 |
| CIK | 0001576169 |
| Symbol | BNFT |
| SIC Code | 7372 - Prepackaged Software |
| Industry | Software |
| Sector | Technology |
| Fiscal Year | 12/31 |

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL
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[] Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| | | | | | | | | |
|---|--|--|---|--|--|--|--|--|
| 1. Name and Address of Reporting Person * | | | 2. Issuer Name and Ticker or Trading Symbol | | | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) | | |
| Jenkins Shawn A | | | Benefitfocus, Inc. [BNFT] | | | <input checked="" type="checkbox"/> Director _____ 10% Owner <input checked="" type="checkbox"/> Officer (give title below) _____ Other (specify below) CEO | | |
| (Last) (First) (Middle) | | | 3. Date of Earliest Transaction (MM/DD/YYYY) | | | | | |
| 100 BENEFITFOCUS WAY | | | 2/27/2017 | | | | | |
| (Street) | | | 4. If Amendment, Date Original Filed (MM/DD/YYYY) | | | 6. Individual or Joint/Group Filing (Check Applicable Line) | | |
| CHARLESTON, SC 29492 | | | | | | <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person | | |
| (City) (State) (Zip) | | | | | | | | |

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Trans. Date | 2A. Deemed Execution Date, if any | 3. Trans. Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|----------------|-----------------------------------|---------------------------|---|---|------------|-------|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock | 2/27/2017 | | M | | 8835 | (1) | A | \$0.00 | 2712321 | D |

Table II - Derivative Securities Beneficially Owned (e.g. , puts, calls, warrants, options, convertible securities)

| 1. Title of Derivate Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Trans. Date | 3A. Deemed Execution Date, if any | 4. Trans. Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | 6. Date Exercisable and Expiration Date | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|----------------|-----------------------------------|---------------------------|---|--|-----|---|-----------------|---|----------------------------|--|--|--|--|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | | |
| Performance Restricted Stock Units | (1) | 2/27/2017 | | M | | 8835 | (1) | 12/31/2016 | Common Stock | 8835 | \$0.00 | 550 | D | | |
| Performance Restricted Stock Units | (2) | 2/27/2017 | | D | | 550 | (2) | 12/31/2016 | Common Stock | 550 | \$0.00 | 0 | D | | |
| Performance Restricted Stock Units | (3) | | | | | | (3) | 12/31/2017 | Common Stock | 40000 | | 40000 | D | | |

Explanation of Responses:

- (Shares earned upon the vesting of a percentage of the performance restricted stock units granted to the Reporting Person on March 30, 2016 ("PRSUs"). Each
- 1) PRSU represented a contingent right to receive one share of Issuer common stock upon the Issuer's achievement of annual revenue goals and non-GAAP net income (loss) goals during the period of January 1, 2016 through December 31, 2016.
 - 2) Represents the portion of PRSUs that were forfeited to the Issuer after determining the percentage of PRSUs that vested.
 - 3) Each performance restricted stock unit ("PRSU") represents a contingent right to receive one share of Issuer common stock. PRSUs vest upon the achievement of adjusted EBITDA and compounded annual revenue growth rate goals during the period of January 1, 2015 through December 31, 2017. Vesting of the target level PRSUs will accelerate upon death or disability in an amount equal to the proportion of days in the performance period worked. Vesting of target PRSUs may also accelerate in certain circumstances if there is a change in control of the Issuer during the performance period.

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Jenkins Shawn A 100 BENEFITFOCUS WAY CHARLESTON, SC 29492 | X | | CEO | |

Signatures

/s/ S. Halle Vakani, Attorney-in-Fact

3/1/2017

—Signature of Reporting Person

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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