

# **BENEFITFOCUS, INC.**

Reported by  
**HOLLAND MASON R JR**

## **FORM 4**

(Statement of Changes in Beneficial Ownership)

Filed 04/04/17 for the Period Ending 03/31/17

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

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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)	
<b>Holland Mason R Jr</b>		<b>Benefitfocus, Inc. [ BNFT ]</b>		<input checked="" type="checkbox"/> Director _____ 10% Owner <input checked="" type="checkbox"/> Officer (give title below) _____ Other (specify below) <b>Executive Chairman of the Bd.</b>	
(Last) (First) (Middle)		3. Date of Earliest Transaction (MM/DD/YYYY)			
<b>100 BENEFITFOCUS WAY</b>		<b>3/31/2017</b>			
(Street)		4. If Amendment, Date Original Filed (MM/DD/YYYY)		6. Individual or Joint/Group Filing (Check Applicable Line)	
<b>CHARLESTON, SC 29492</b>				<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	3/31/2017		A		5561 (1)	A	\$0.00	32516	D	
Common Stock								2649099	I	By Holland Family Trust (2)
Common Stock								5	I	As custodian for minor son

**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				
Performance Restricted Stock Units	(3)	3/31/2017		A		5561	(3)	4/1/2018	Common Stock	5561	\$0.00	5561	D	
Performance Restricted Stock Units	(4)	3/31/2017		A		8341	(4)	4/1/2021	Common Stock	8341	\$0.00	8341	D	

### Explanation of Responses:

- (1) Represents restricted stock units which vest in four equal annual installments beginning on April 1, 2018, subject to continued employment.
- (2) These shares are held in a living trust for the benefit of the reporting person and his spouse. The reporting person shares voting and investment control over these shares.
- (3) Each performance restricted stock unit ("PRSU") represents a contingent right to receive one share of Issuer common stock. The maximum number of PRSUs is presented in the table. A percentage of the PRSUs will vest upon the achievement of annual revenue goals and free cash flow goals, all subject to a minimum adjusted EBITDA level, during the period of January 1, 2017 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 the target PRSUs may also accelerate in certain circumstances if there is a change in control of the Issuer during the performance period.
- (4) Each PRSU represents a contingent right to receive one share of Issuer common stock. The maximum number of PRSUs is presented in the table. The PRSUs will vest upon the achievement of annual recurring revenue bookings percentage growth goals during the period of January 1, 2017 through December 31, 2017, such vesting to occur in four equal annual installments beginning on April 1, 2018, if the performance metrics are met. 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 the 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
<b>Holland Mason R Jr</b> <b>100 BENEFITFOCUS WAY</b> <b>CHARLESTON, SC 29492</b>	X		<b>Executive Chairman of the Bd.</b>	

**Signatures**/s/ S. Halle Vakani, Attorney-in-Fact4/4/2017

\*\*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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