

Benefitfocus, Inc.  
Form 4  
April 05, 2016

**FORM 4**

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

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,  
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section  
30(h) of the Investment Company Act of 1940

## OMB APPROVAL

OMB  
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response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Holland Mason R Jr

(Last) (First) (Middle)

100 BENEFITFOCUS WAY

(Street)

CHARLESTON, SC 29492

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading  
Symbol  
Benefitfocus, Inc. [BNFT]

3. Date of Earliest Transaction  
(Month/Day/Year)  
04/01/2016

4. If Amendment, Date Original  
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

☐ Director ☐ 10% Owner  
☒ Officer (give title below) ☐ Other (specify  
below)

Executive Chairman of the Bd.

6. Individual or Joint/Group Filing(Check  
Applicable Line)  
☒ Form filed by One Reporting Person  
☐ Form filed by More than One Reporting  
Person

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

| 1. Title of<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3.<br>Transaction<br>Code<br>(Instr. 8) | 4. Securities<br>Acquired (A) or<br>Disposed of (D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form: Direct<br>(D) or<br>Indirect (I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|---------------------------------------|-----------------------------------------|-------------------------------------------------------------|-----------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------|
| Common<br>Stock                       | 04/01/2016                              |                                                             | A                                       | Amount<br>9,347<br>(1)                                                     | \$ 0 22,537                                                                                                        | D                                                                    |                                                                   |
| Common<br>Stock                       |                                         |                                                             |                                         |                                                                            | 2,537,326                                                                                                          | I                                                                    | By Holland<br>Family<br>Trust (2)                                 |
| Common<br>Stock                       |                                         |                                                             |                                         |                                                                            | 5                                                                                                                  | I                                                                    | As<br>custodian<br>for minor<br>son                               |

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

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SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction 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 (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Date Exercisable | 9. Expiration Date | 10. Title | 11. Amount or Number of Shares |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|---------------------|--------------------|-----------|--------------------------------|
| Performance Restricted Stock Units         | (3)                                                    |                                      |                                                    |                                |                                                                                         | (3) 12/31/2016                                           | Common Stock                                                  |                     |                    |           | 4,693                          |
| Stock Option (Right to Buy)                | \$ 7.09                                                |                                      |                                                    |                                |                                                                                         | (4) 02/20/2017                                           | Common Stock                                                  |                     |                    |           | 257,688                        |

## Reporting Owners

| Reporting Owner Name / Address                                     | Relationships |           |                               |       |
|--------------------------------------------------------------------|---------------|-----------|-------------------------------|-------|
|                                                                    | Director      | 10% Owner | Officer                       | Other |
| Holland Mason R Jr<br>100 BENEFITFOCUS WAY<br>CHARLESTON, SC 29492 | X             | X         | Executive Chairman of the Bd. |       |

## Signatures

/s/ Donald R. Reynolds,  
Attorney-in-Fact

04/05/2016

\*\*Signature of Reporting Person

Date

## Explanation of Responses:

\* 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).

- (1) Represents restricted stock units which vest in four equal annual installments beginning on April 1, 2017, 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.

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Each performance restricted stock unit ("PRSU") represents a contingent right to receive one share of Issuer common stock. A percentage of PRSUs will vest upon the achievement of annual revenue goals and non-GAAP net income (loss) goals during the period of January 1,

- (3) 2016 through December 31, 2016. Vesting of the PRSUs will accelerate upon death or disability in an amount equal to the proportion of days in the performance period worked. Vesting of PRSUs may also accelerate in certain circumstances if there is a change in control of the Issuer during the performance period.

- (4) This option is fully vested.

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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