

OMB APPROVAL	
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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

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

1. Name and Address of Reporting Person* <u>Swad Stephen M</u> (Last) (First) (Middle) <u>100 BENEFITFOCUS WAY</u> (Street) <u>CHARLESTON SC 29492</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>Benefitfocus, Inc. [BNFT]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) <u>09/02/2021</u>	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

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

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction 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	09/02/2021		D		69,412 ⁽¹⁾	D	\$0.00	330,474	D	
Common Stock	09/17/2021		G	V	137,539	D	\$0.00	192,935	D	
Common Stock	09/17/2021		G	V	137,539	A	\$0.00	170,879	I	By Stephen M. Swad Revocable Living Trust ⁽²⁾

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 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: 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	(3)	09/02/2021		D ⁽⁴⁾			4,207	(3)	04/01/2022	Common Stock	4,207	\$0.00	12,620	D	
Performance Restricted Stock Units	(5)	09/02/2021		D ⁽⁴⁾			104,118	(5)	04/01/2025	Common Stock	104,118	\$0.00	34,705	D	

Explanation of Responses:

- Represents the partial forfeiture of restricted stock units ("RSUs") pursuant to the terms of the reporting person's Second Amendment to Employment Agreement dated May 3, 2021. The RSUs were granted to the reporting person on April 1, 2021 and the remaining RSUs from that grant are eligible to vest in four equal annual installments beginning on April 1, 2022, subject to continued employment and acceleration in certain circumstances.
- On September 17, 2021, the reporting person transferred 137,539 shares of the Issuer's common stock to the Stephen M. Swad Revocable Living Trust, of which the reporting person and his wife are trustees and beneficiaries. The reporting person shares voting and investment control over these shares.
- Each performance restricted stock unit ("PRSU") represents a contingent right to receive one share of Issuer common stock. The maximum number of remaining PRSUs is presented in the table. A percentage of the PRSUs will vest upon the achievement of a revenue goal, an adjusted EBITDA goal, and a software revenue retention goal, during the period of January 1, 2021 through December 31, 2021. Vesting of the target level of remaining PRSUs will accelerate upon death or disability during the performance period in an amount equal to the proportion of days in the performance period worked. Vesting of the target level of remaining PRSUs may also accelerate in certain circumstances if there is a change in control of the Issuer during the performance period.
- Represents the partial forfeiture of certain PRSUs pursuant to the terms of the reporting person's Second Amendment to Employment Agreement dated May 3, 2021. The PRSUs were originally granted to the reporting person on April 1, 2021.
- Each PRSU represents a contingent right to receive one share of Issuer common stock. The maximum number of remaining PRSUs is presented in the table. The PRSUs will vest upon the achievement of a Rule of 40 goal and an annual recurring revenue subscription bookings growth goal, during the period of January 1, 2021 through December 31, 2021, such vesting to occur in four equal annual installments beginning on April 1, 2022, if the performance metrics are met. Vesting of 25% of the target level of remaining PRSUs will accelerate upon death or disability during the performance period in an amount equal to the proportion of days in the performance period worked. Vesting will also accelerate as to the next tranche of vesting units in the event of death or disability after the performance period. Vesting of the target level of remaining PRSUs may also accelerate in certain additional circumstances, including if there is a change in control of the Issuer during the performance period.

Remarks:

/s/ S. Halle Vakani, Attorney-in-Fact 09/17/2021

** 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.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.