

| OMB APPROVAL | |
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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

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* <u>Holland Mason R Jr</u> | | | 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 <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Executive Chairman of the Bd.</u> | | |
| (Last) | (First) | (Middle) | 3. Date of Earliest Transaction (Month/Day/Year) <u>04/01/2020</u> | | | 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person | | |
| <u>100 BENEFITFOCUS WAY</u> | | | 4. If Amendment, Date of Original Filed (Month/Day/Year) | | | | | |
| (Street) <u>CHARLESTON SC 29492</u> | | | | | | | | |
| (City) (State) (Zip) | | | | | | | | |

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 | 04/01/2020 | | M | | 1,043 ⁽¹⁾ | A | \$0.00 | 60,669 | D | |
| Common Stock | | | | | | | | 2,649,099 | I | By Holland Family Trust ⁽²⁾ |
| Common Stock | | | | | | | | 5 | I | As custodian for minor son |

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 |
| Performance Restricted Stock Units | (1) | 04/01/2020 | | M | | 1,043 | (1) | 04/01/2020 | 04/01/2020 | Common Stock | 1,043 | \$0.00 | 2,435 | D | |
| Performance Restricted Stock Units | (3) | 04/01/2020 | | D | | 2,435 | (3) | 04/01/2020 | 04/01/2020 | Common Stock | 2,435 | \$0.00 | 0 | D | |
| Performance Restricted Stock Units | (3) | 04/01/2020 | | D | | 6,956 | (3) | 04/01/2023 | 04/01/2023 | Common Stock | 6,956 | \$0.00 | 0 | D | |

Explanation of Responses:

- Shares earned upon the vesting of a percentage of the performance restricted stock units ("PRSU") granted to the Reporting Person on April 1, 2019. Each PRSU represented a contingent right to receive one share of Issuer common stock upon the Issuer's achievement of an annual revenue goal and an adjusted EBITDA goal, during the period of January 1, 2019 through December 31, 2019.
- 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.
- Represents the portion of PRSUs that were forfeited to the Issuer after determining the percentage of PRSUs that vested.

Remarks:

/s/ S. Halle Vakani, Attorney-in-Fact 04/03/2020

** 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.