

**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

| OMB APPROVAL                                 |           |
|--|-----------|
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|  |   |   |
|--|---|---|
| 1. Name and Address of Reporting Person*<br><u>Howell Andrew L</u><br><br>(Last) (First) (Middle)<br><u>100 BENEFITFOCUS WAY</u><br><br>(Street)<br><u>CHARLESTON SC 29492</u><br><br>(City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol<br><u>Benefitfocus, Inc. [ BNFT ]</u> | 5. Relationship of Reporting Person(s) to Issuer<br>(Check all applicable)<br><br>Director 10% Owner<br><input checked="" type="checkbox"/> Officer (give title below) Other (specify below)<br><u>Chief Commercial Officer</u> |
|  | 3. Date of Earliest Transaction (Month/Day/Year)<br><u>03/10/2015</u>             |   |
| 4. If Amendment, Date of Original Filed (Month/Day/Year)   |   | 6. Individual or Joint/Group Filing (Check Applicable Line)<br><input checked="" type="checkbox"/> Form filed by One Reporting Person<br><br><input type="checkbox"/> Form filed by More than One Reporting Person              |

**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                    | 03/10/2015                           |  | S <sup>(1)</sup>               |   | 14,500  | D          | \$40.09 <sup>(2)</sup> | 178,157   | D  |   |
| Common Stock                    | 03/10/2015                           |  | M                              |   | 10,263  | A          | \$5.38                 | 188,420   | D  |   |
| Common Stock                    | 03/10/2015                           |  | S <sup>(1)</sup>               |   | 10,263  | D          | \$40.09 <sup>(2)</sup> | 178,157   | D  |   |

**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 |
| Stock Option (Right to Buy)                | \$5.38   | 03/10/2015                           |  | M <sup>(3)</sup>               |   |  | 10,263 | (4)  | 06/30/2020      | Common Stock  | 10,263                                     | \$0.00   | 7,608   | D  |       |
| Stock Option (Right to Buy)                | \$3.8  |                                      |  |                                |   |  |        | (5)  | 06/30/2019      | Common Stock  | 3,098                                      |  | 3,098   | D  |       |
| Stock Option (Right to Buy)                | \$10.3   |                                      |  |                                |   |  |        | (6)  | 09/30/2022      | Common Stock  | 22,667                                     |  | 22,667  | D  |       |
| Stock Option (Right to Buy)                | \$13.53  |                                      |  |                                |   |  |        | (7)  | 05/07/2023      | Common Stock  | 51,461                                     |  | 51,461  | D  |       |

**Explanation of Responses:**

- This sale was effected pursuant to a Rule 10b5-1 trading plan executed by the reporting person on May 19, 2014 and effective on May 20, 2014 and amended on December 2, 2014.
- This transaction was executed in multiple trades at prices ranging from \$40.00 to \$40.30. The price reported in Column 4 is a weighted average price. The reporting person hereby undertakes to provide upon request to the SEC staff, the Issuer or a security holder of the Issuer full information regarding the number of shares and prices at which the transactions were effected.
- This exercise was effected pursuant to a Rule 10b5-1 trading plan executed by the reporting person on May 19, 2014 and effective on May 20, 2014 and amended on December 2, 2014.
- This option was granted on July 1, 2010 and vests over a four-year period with one-fourth (1/4) of the option granted vesting on July 1, 2011, the first anniversary of the vesting commencement date, and the balance of the option granted vesting ratably on a monthly basis over the following 36 months.
- This option is fully vested.
- This option was granted on October 1, 2012 and vests over a four-year period with one-fourth (1/4) of the option granted vesting on October 1, 2013, the first anniversary of the vesting commencement date, and the balance of the option granted vesting ratably on a monthly basis over the following 36 months.
- This option was granted on May 8, 2013 and vests over a four-year period with one-fourth (1/4) of the option granted vesting on May 8, 2014, the first anniversary of the vesting commencement date, and the balance of the option granted vesting ratably on a monthly basis over the following 36 months.

**Remarks:**

/s/ S. Halle Vakani, Attorney-in-Fact 03/12/2015

\*\* 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.**