

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>  (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 <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Executive Chairman of the Bd.</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>01/26/2017</u>	
		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <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	01/26/2017		M		257,688	A	\$7.09	280,225	D	
Common Stock	01/26/2017		G		257,688	D	\$0.00	22,537	D	
Common Stock	01/26/2017		G		257,688	A	\$0.00	2,649,099	I	By Holland Family Trust <sup>(1)</sup>
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	Amount or Number of Shares				
Stock Option (Right to Buy)	\$7.09	01/26/2017		M			257,688	(2)	02/20/2017	Common Stock	257,688	\$0.00	0	D	
Performance Restricted Stock Units	(3)							(3)	12/31/2016	Common Stock	4,693		4,693	D	

**Explanation of Responses:**

- 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.
- This option is fully vested.
- 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, 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.

**Remarks:**

/s/ Donald R. Reynolds,  
Attorney-in-Fact 01/30/2017  
 \*\* 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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