

Benefitfocus,Inc.  
Form 4  
June 11, 2014

**FORM 4**

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

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Howell Andrew L

(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)  
06/09/2014

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)

Chief Operating Officer

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 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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  | Code                           | V   | Amount or Price   |  |                                   |
| Common Stock                    | 06/09/2014                           |  | M                              |   | \$ 5.38   | D  |                                   |
| Common Stock                    | 06/09/2014                           |  | S <sup>(1)</sup>               |   | 7,163   | D  |                                   |
| Common Stock                    | 06/10/2014                           |  | M                              |   | \$ 5.38   | D  |                                   |
| Common Stock                    | 06/10/2014                           |  | S <sup>(1)</sup>               |   | 2,725   | D  |                                   |
|                                 | 06/10/2014                           |  | M                              |   | \$ 3.14   | D  |                                   |

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Common  
Stock

Common Stock 06/10/2014 M 21,902 A \$ 3.8 141,291 D

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

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(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. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Stock Option (Right to Buy)                | \$ 5.38  | 06/09/2014                           |  | M <sup>(1)</sup>               | 7,163   | <sup>(4)</sup> 06/30/2020                                | Common Stock  | 7,163                         |
| Stock Option (Right to Buy)                | \$ 5.38  | 06/10/2014                           |  | M <sup>(1)</sup>               | 2,725   | <sup>(4)</sup> 06/30/2020                                | Common Stock  | 2,725                         |
| Stock Option (Right to Buy)                | \$ 3.14  | 06/10/2014                           |  | M                              | 25,000  | <sup>(5)</sup> 02/01/2018                                | Common Stock  | 25,000                        |
| Stock Option (Right to Buy)                | \$ 3.8   | 06/10/2014                           |  | M                              | 21,902  | <sup>(5)</sup> 06/30/2019                                | Common Stock  | 21,902                        |
| Stock Option (Right to Buy)                | \$ 10.3  |                                      |  |                                |   | <sup>(6)</sup> 09/30/2022                                | Common Stock  | 22,667                        |
| Stock Option                               | \$ 13.53   |                                      |  |                                |   | <sup>(7)</sup> 05/07/2023                                | Common Stock  | 51,461                        |

(Right to  
Buy)

## Reporting Owners

| Reporting Owner Name / Address                                  | Relationships |           |                         |       |
|---|---------------|-----------|-------------------------|-------|
|   | Director      | 10% Owner | Officer                 | Other |
| Howell Andrew L<br>100 BENEFITFOCUS WAY<br>CHARLESTON, SC 29492 |               |           | Chief Operating Officer |       |

## Signatures

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

06/11/2014

\*\*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) This exercise and sale was effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on May 19, 2014.

(2) This transaction was executed in multiple trades at prices ranging from \$40.00 to \$40.75. 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.

(3) This transaction was executed in multiple trades at prices ranging from \$40.00 to \$40.245. 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.

(4) 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.

(5) This option is fully vested.

(6) 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.

(7) 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.

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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