

August Raymond Alexander  
 Form 4  
 April 02, 2018

**FORM 4**

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

OMB APPROVAL

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**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 \*  
 August Raymond Alexander

(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)  
 03/29/2018

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)  
 President and CEO

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 (A) or (D) Price   |  |                                   |
| Common Stock                    | 03/29/2018                           |  | M                              |   | 24,000<br>(1) A \$ 0 303,673  | D  |                                   |
| Common Stock                    | 03/29/2018                           |  | M                              |   | 2,727<br>(2) A \$ 0 306,400   | D  |                                   |
| Common Stock                    | 03/29/2018                           |  | A                              |   | 33,069<br>(3) A \$ 0 339,469  | D  |                                   |

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

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**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 Underlying Security (Instr. 3 and 4) |              |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date                                   | Title        |
| Performance Restricted Stock Units         | (1)  | 03/29/2018                           |  | M                              |   | 24,000   | (1) 12/31/2017                                    | Common Stock |
| Performance Restricted Stock Units         | (4)  | 03/29/2018                           |  | D                              |   | 16,000   | (4) 12/31/2017                                    | Common Stock |
| Performance Restricted Stock Units         | (2)  | 03/29/2018                           |  | M                              |   | 2,727  | (2) 04/01/2018                                    | Common Stock |
| Performance Restricted Stock Units         | (4)  | 03/29/2018                           |  | D                              |   | 6,363  | (4) 04/01/2018                                    | Common Stock |
| Performance Restricted Stock Units         | (4)  | 03/29/2018                           |  | D                              |   | 27,270   | (4) 04/01/2021                                    | Common Stock |
| Performance Restricted Stock Units         | (5)  | 03/29/2018                           |  | A                              |   | 10,021   | (5) 04/01/2019                                    | Common Stock |
| Performance Restricted Stock Units         | (6)  | 03/29/2018                           |  | A                              |   | 100,711  | (6) 04/01/2022                                    | Common Stock |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |                   |       |
|--|---------------|-----------|-------------------|-------|
|  | Director      | 10% Owner | Officer           | Other |
| August Raymond Alexander<br>100 BENEFITFOCUS WAY<br>CHARLESTON, SC 29492 |               |           | President and CEO |       |

## Signatures

/s/ S. Halle Vakani,  
Attorney-in-Fact

04/02/2018

\_\_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) Shares earned upon the vesting of a percentage of the performance restricted stock units ("PRSU") granted to the Reporting Person on November 6, 2015. Each PRSU represented a contingent right to receive one share of Issuer common stock upon the Issuer's achievement of adjusted EBITDA and compounded annual revenue growth rate goals during the period of January 1, 2015 through December 31, 2017.

(2) Shares earned upon the vesting of a percentage of the PRSUs granted to the Reporting Person on March 31, 2017. Each PRSU represented a contingent right to receive one share of Issuer common stock upon the Issuer's achievement of annual revenue goals and free cash flow goals, all subject to a minimum adjusted EBITDA level, during the period of January 1, 2017 through December 31, 2017.

(3) Represents restricted stock units which vest in four equal annual installments beginning on April 1, 2019, subject to continued employment.

(4) Represents the portion of PRSUs that were forfeited to the Issuer after determining the percentage of PRSUs that vested.

(5) Each PRSU represents a contingent right to receive one share of Issuer common stock. The maximum number of PRSUs is presented in the table. A percentage of the PRSUs will vest upon the achievement of an annual revenue goal, an adjusted EBITDA goal, and a net new bookings goal, during the period of January 1, 2018 through December 31, 2018. Vesting of the target level 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 PRSUs may also accelerate in certain circumstances if there is a change in control of the Issuer during the performance period.

(6) Each PRSU represents a contingent right to receive one share of Issuer common stock. The maximum number of PRSUs is presented in the table. The PRSUs will vest upon the achievement of annual recurring revenue bookings percentage growth goals during the period of January 1, 2018 through December 31, 2018, such vesting to occur in four equal annual installments beginning on April 1, 2019, if the performance metrics are met. Vesting of the target level 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 PRSUs may also accelerate in certain circumstances if there is a change in control of the Issuer during the performance period.

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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